

DATE IN: 3/24/2015	SUSPENSE	MAM ENGINEER	LOGGED IN: 3/24/2015	TYPE: DHC	APP NO: PMA1508557791
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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



WILLIAMS B FEDERAL #10 -- 30-015-41778

### 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, 97253

[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	March 25, 2015
Print or Type Name	Signature	Title	Date
		mike@pippinllc.com	
		e-mail Address	

-DHC -4745  
 -LRE Operating, LLC  
 281994  
 2015 MAR 26 P 2:09  
 RECEIVED OGD  
 WCH  
 -Williams B  
 Federal #10  
 30-015-41778  
 Pool  
 -Red Lake, San  
 Andres  
 97253  
 -Antesic, Clarita  
 Yes  
 96830

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

March 25, 2015

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

**RE: C-107A TO COMMINGLE TWO POOLS**  
**WILLIAMS B FEDERAL #10**– API#: 30-015-41778  
Unit Letter "F" Section 29 T17S R28E  
Eddy County, New Mexico

Dear Mr. Goetze,

The referenced oil well was completed on January 13, 2014 in the Artesia, Glorieta-Yeso (96830). The attached NOI sundry to recomple this well to the Red Lake, San Andres (97253) has been submitted to the BLM in Carlsbad, NM. Interests in these two pools are identical, and the BLM has been notified.

The most recent Yeso production test was on 3/24/15 for 10 BOPD, 23 MCF/D, & 17 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 I  
1625 N. French Drive, Hobbs, NM 88240

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

District III  
1000 Rio Urabe Road, Alamogordo, NM 87410

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

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

APPLICATION FOR DOWNHOLE COMMINGLING

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

Lease **WILLIAMS B FEDERAL #10** Well No. **F SEC. 29 T17S R28E** County **Eddy**  
Unit Letter-Section-Township-Range

OGRID No. **281994** Property Code **309867** API No. **30-015-41778** Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<b>Red Lake; San Andres</b>		<b>Artesia; Glorieta-Yeso</b>
Pool Code	<b>97253</b>		<b>96830</b>
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	<b>~2024'-3101'</b>		<b>3350'-3510'</b>
Method of Production (Flowing or Artificial Lift)	<b>Prospective</b>		<b>Pumping</b>
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)	<b>741 PSI</b>		<b>851 PSI</b>
Oil Gravity or Gas BTU (Degree API or Gas BTU)	<b>34.8</b>		<b>38.32</b>
Producing, Shut-In or New Zone	<b>Proposed New Zone</b>		<b>Producing</b>
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: <b>March 24, 2015</b> Rates: <b>10 BOPD</b> <b>23 MCF/D</b> <b>17 BWP/D</b>
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?

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 March 25, 2015

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

E-MAIL ADDRESS mike@pippinllc.com

 <b>LIME ROCK RESOURCES</b>	County: <b>EDDY</b>	Well Name: <b>Williams B Federal #10</b>	Field: <b>Redlake</b> <b>Glorieta-Yeso NE</b>	Well Sketch: <b>AFE R15016</b> <b>LRE Operating, LLC</b>
	Surface Lat: <b>32.8077012°N</b> Surface Long: <b>104.1983183°W</b>	BH Lat: <b>32.8077012°N</b> BH Long: <b>104.1983183°W</b>	Survey: <b>S29-T175-R28E Unit F</b> <b>1650' FNL &amp; 2285' FWL</b>	API # <b>30-015-41778</b> OGRID # <b>281994</b>

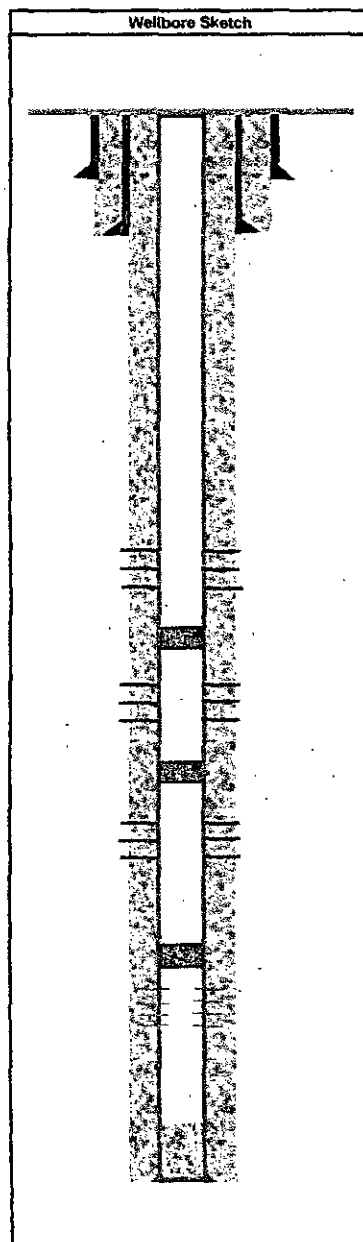
<b>Directional Data:</b>			
KOP			
Max Dev:			
Dleg sev:			
Dev @ Paris			
Ret to Vert:			

<b>Drilling / Completion Fluid</b>			
Drilling Fluid: 10.2 PPG Brine / Salt Gel			
Drilling Fluid:			
Completion Fluid: 2% KCL			
Completion Fluid:			
Packer Fluid: NA			

<b>Tubular Data</b>							
Tubulars	Size	Weight	Grade	Thread	TVD	MD	TOC
Conductor	14"	68.7#	B	Weld	40'	40'	SURF
Surface	8 5/8"	24#	J-55	STC	426'	426'	SURF
Intermediate							
Production	5 1/2"	17#	J-55	LTC	3,615'	3,615'	SURF
Liner							

<b>CEMENT DATA</b>							
	L/sks	Yld	Wt	T/sks	Yld	Wt	XS
Surface	300	1.35	14.8	NA	NA	NA	58 sx
Intermediate							
Liner							
Production	310	1.9	12.8	375	1.33	14.8	183 sx

<b>Wellhead Data</b>	
Type:	
WP:	
Tree Cap	Flange:
	Thread:
Tbg Hanger:	
8TM Flange:	
BPV Profile:	NA
Elevations:	GR - RKB = 11.8'
RKB:	3630.2
GL:	3,618.4'



Completion Information					
DEPTHS (MD)	FORMATION TOPS / WELL INFO	PERFORATIONS		# of HOLES	
		from	to		
0					
40'	20" Hole				
426'	12 1/4" Hole				
561'	Seven Rivers				
1,122'	Queen				
1,513'	Grayburg				
1,862'	San Andres				
Lufkin 228-256-100 pumping unit with 30 HP motor					
2 7/8" tbg, TAC at 1924', SN at 3131', 4' slotted sub, 1 ft MA w BP at 3166'					
121-7/8" KD rods, 4-1.5" Kbars, 2.5"x2"x20" RHBC-HVR Pump, 88" SL, 10 SPM					
	San Andres	2,024'	2,320'	34	
CBP at 2340'					
	San Andres	2,360'	2,661'	31	
CBP at 2700'					
	San Andres	2,740'	3,101'	36	
3,280'	Glorieta				
3,350'	Yeso				
CBP at 3300'					
	Stage 1 Yeso Frac	3,350'	3,510'	33	
	PBTD				
3,610'	PROD CSG				
Comments: NM OGD CLP				Plug back Depth:	MD
				Total Well Depth:	3,615' 3615' MD
				Prepared By:	Date:
				Eric McClusky	18-Mar-15

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side.**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC046250B
2. Name of Operator LRE OPERATING, LLC Contact: MIKE PIPPIN E-Mail: mike@pippinllc.com		6. If Indian, Allottee or Tribe Name
3a. Address C/O MIKE PIPPIN 3104 N. SULLIVAN FARMINGTON, NM 87401	3b. Phone No. (include area code) Ph: 505-327-4573	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 29 T17S R28E SENW 1650FNL 2285FWL		8. Well Name and No. WILLIAMS B FEDERAL 10
		9. API Well No. 30-015-41778
		10. Field and Pool, or Exploratory RED LAKE, SAN ANDRES 97253
		11. County or Parish, and State EDDY COUNTY, NM

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 recompleate 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 recompleation 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 perms are at 3350'-3510'). Perf upper SA @ ~2740'-3101' w/~36 holes. Treat new perms 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 perms 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 perms 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

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	
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 _____	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 _____

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.

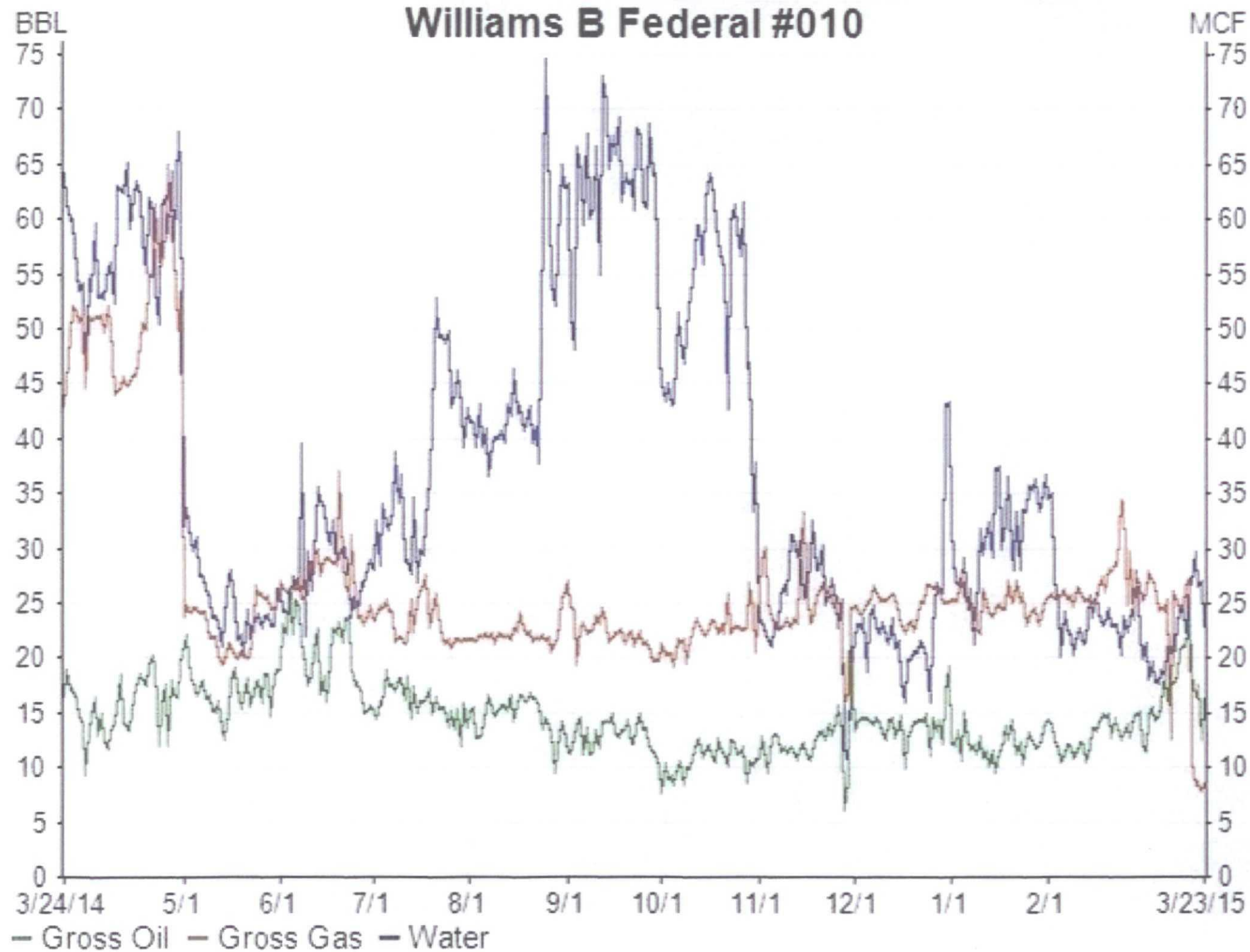
**\*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\* OPERATOR-SUBMITTED \*\***

Additional data for EC transaction #295641 that would not fit on the form

**32. Additional remarks, continued**

oil well. See the attached wellbore diagram: Following a test of the SA alone and the approval of both the State & BLM DHC applications, the CBP @ 3300' will be removed and the well DHC.

# Williams B Federal #010



1625 N. French Dr., Hobbs, NM 88240

District 11

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 87503

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 30-015-41778	<sup>2</sup> Pool Code 97253	<sup>3</sup> Pool Name Red Lake, San Andres
<sup>4</sup> Property Code 309867	<sup>5</sup> Property Name WILLIAMS B FEDERAL	<sup>6</sup> Well Number 10
<sup>7</sup> OGRID No. 281994	<sup>8</sup> Operator Name LRE OPERATING, LLC.	<sup>9</sup> Elevation 3624' GL

### 10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	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
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<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<p style="text-align: center; font-size: 2em; margin-top: 20px;"><b>29</b></p>	<p><b>17 OPERATOR CERTIFICATION</b></p> <p>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 undivided 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.</p> <hr/> <div style="display: flex; justify-content: space-between;"> <span>Signature      <i>Mike Pippin</i></span> <span>Date      3/20/15</span> </div> <hr/> <div style="display: flex;"> <span>Printed Name      Mike Pippin</span> </div> <hr/> <p><b>18 SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>7/11/13</p> <hr/> <div style="display: flex;"> <span>Date of Survey</span> </div> <hr/> <div style="display: flex;"> <span>Signature and Seal of Professional Surveyor:</span> </div> <hr/> <div style="display: flex;"> <span>Filmon F. Jaramillo</span> </div> <hr/> <div style="display: flex;"> <span>Certificate Number</span> </div> <hr/> <div style="display: flex;"> <span>12797</span> </div>
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**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 15, 2009

Submit one copy to appropriate  
 District Office

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-015- 41778</b>	Pool Code <b>96830</b>	Pool Name <b>Artesia; Glorieta-Yeso (O)</b>
Property Code <b>309867</b>	Property Name <b>WILLIAMS B FEDERAL</b>	Well Number <b>10</b>
OGRID No. <b>281994</b>	Operator Name <b>LRE OPERATING, LLC</b>	Elevation <b>3624.1</b>

**10 Surface Location**

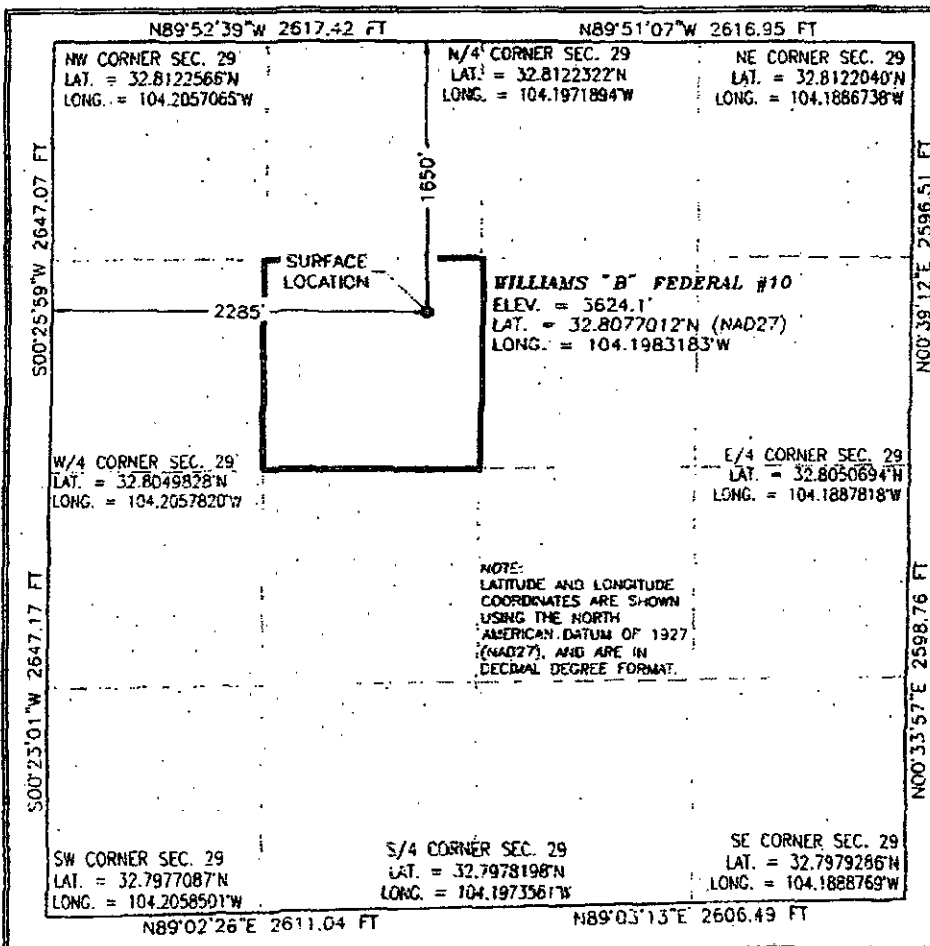
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>F</b>	<b>29</b>	<b>17 S</b>	<b>28 E</b>		<b>1650</b>	<b>NORTH</b>	<b>2285</b>	<b>WEST</b>	<b>EDDY</b>

**11 Bottom 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.

**17 OPERATOR CERTIFICATION**

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 undivided 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.

*B. Wood*  
 Signature  
 Date  
**8-19-13**  
 Printed Name **Brian Wood**  
**brian@permitswest.com**

**18 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.

**JULY 11, 2013**  
 Date of Survey  
*[Signature]*  
 Signature and Seal of Professional Surveyor  
 Certificate Subject: **FILIPINO E. SARANTO, PLS 12797**  
**REGISTERED LAND SURVEYOR**  
**SURVEY NO. 928A**