

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., 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 and Natural Resources

Form C-103  
 June 19, 2008

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

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| WELL API NO.<br>30-015-40027  |
| 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No.  |
| 7. Lease Name or Unit Agreement Name<br>STALEY STATE  |
| 8. Well Number #18  |
| 9. OGRID Number 281994  |
| 10. Pool name or Wildcat<br>Red Lake, Glorieta-Yeso NE (96836)                                      |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.)<br>3602' GL                                      |

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (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.)

1. Type of Well: Oil Well  Gas Well  Other

2. Name of Operator  
LRE OPERATING, LLC

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

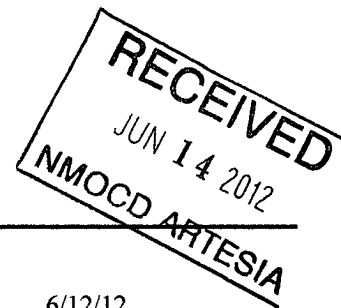
4. Well Location  
 Unit Letter H : 2310 feet from the NORTH line and 370 feet from the EAST line  
 Section 30 Township 17-S Range 28-E NMPM Eddy County

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

|  |   |
|--|---|
| <p><b>NOTICE OF INTENTION TO:</b></p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>DOWNHOLE COMMINGLE <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p> | <p><b>SUBSEQUENT REPORT OF:</b></p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: 1<sup>st</sup> Delivery &amp; IP Test <input checked="" type="checkbox"/></p> |
|--|---|

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

This Yeso oil well was 1<sup>st</sup> delivered on 5/19/12 with its IP Test on 6/5/12 for 155 BOPD, 190 MCF/D, & 500 BWPD.



Spud Date: 4/22/12 Drilling Rig Release Date: 4/29/12

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 6/12/12

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

**For State Use Only**

APPROVED BY: R. Rode TITLE Dist. # Supervisor DATE 6/26/12

Conditions of Approval (if any):