

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

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.)		WELL API NO. <u>30-015-36246</u>
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 <u>LRE Operating, LLC</u>		6. State Oil & Gas Lease No.
3. Address of Operator <u>1111 Bagby Street Suite 4600 Houston, Tx 77002</u>		7. Lease Name or Unit Agreement Name <u>AID 24 STATE</u>
4. Well Location Unit Letter <u>P</u> : <u>530</u> feet from the <u>South</u> line and <u>990</u> feet from the <u>East</u> line Section <u>24</u> Township <u>17S</u> Range <u>28E</u> NMPM <u>Eddy</u> County		8. Well Number <u>#5</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>3674' GL</u>		9. OGRID Number <u>281994</u>
10. Pool name or Wildcat <u>Empire; Glorieta-Yeso (96210)</u>		

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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: Flaring Gas

☒

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.

Requesting an Extension to flare gas due to Frontier's inability to take gas.

Estimated Volume - 539 MCFPD

Estimated Time - August 2 - 15, 2012

Verbal approval has been given by Randy Dade with OCD.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Michael Barrett

TITLE Production Supervisor

DATE 8/2/12

Type or print name Michael Barrett

E-mail address: mbarrett@limerockresources.com PHONE: 575-623-8424

For State Use Only

APPROVED BY:

Randy Dade

TITLE

Dist. Supervisor

DATE

08/03/2012

Conditions of Approval (if any):

NFO Permit No. _____
(For Division Use Only)

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 19.15.18.12

(See Rule 19.15.18.12 NMAC and Rule 19.15.7.37 NMAC)

- A. Applicant LRE Operating, LLC,
whose address is 1111 Bagby Street Suite 4600 Houston, TX 77002,
hereby requests an exception to Rule 19.15.18.12 for 14 days or until
. Yr , for the following described tank battery (or LACT):
Name of Lease AID 24 State #5 Name of Pool Empire; Glorieta-Yeso
Location of Battery: Unit Letter P Section 24 Township 17S Range 28E
Number of wells producing into battery 9
- B. Based upon oil production of N/A barrels per day, the estimated * volume
of gas to be flared is 539 MCF; Value N/A per day.
- C. Name and location of nearest gas gathering facility:
Frontier Field Services
- D. Distance N/A Estimated cost of connection N/A
- E. This exception is requested for the following reasons:
Extension to flare due to Frontier's inability to take gas.

OPERATOR

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature [Signature]

Printed Name
& Title Michael Barrett / Production Supervisor

E-mail Address mbarrett@limerockresources.com

Date 08/2/2012 Telephone No. 575-623-8424

OIL CONSERVATION DIVISION

Approved Until Aug 20, 2012

By ASade

Title Dist. H. Supervisor

Date 08/03/2012

* Gas-Oil ratio test may be required to verify estimated gas volume.