

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

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. 30-015-40338
1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐		5. Indicate Type of Lease STATE ☒ FEE ☐
2. Name of Operator LRE OPERATING, LLC		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 STALEY STATE
4. Well Location Unit Letter <u>O</u> : <u>890</u> feet from the <u>SOUTH</u> line and <u>2310</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 <u>#16</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3626' GL		9. OGRID Number <u>281994</u>
		10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836)

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER: Completion ☒

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.

On 7/24/12, PT 5-1/2" csg to 5000 psi for 30 min-OK. Perfed lower Yeso @ 4336', 40', 56', 60', 64', 66', 73', 76', 81', 86', 88', 96', 98', 4404', 12', 16', 20', 23', 26', 29', 36', 41', 48', 57', 62', 68', 71', 77', 81', 84', 4508', 14', 18', 23', 30', 35', 42', 50', 60', 66', 70', 74', 82', 84', 96', 4604', 18', 24' w/1-0.42" spf. Total 46 holes. Treated w/2000 gal 7.5% HCL acid & 72 perf balls. On 7/27/12, fraced lower Yeso w/59,919# 16/30 Brady & 13,300# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ 4304'. PT csg & CBP to 4000 psi for 30 min-OK. Perfed middle Yeso @ 3960', 65', 72', 79', 94', 4004', 08', 18', 23', 28', 35', 40', 45', 50', 55', 60', 65', 70', 75', 80', 85', 90', 95', 4100', 05', 10', 15', 20', 33', 40', 52', 55', 60', 68', 73', 76', 87', 4200', 05', 10', 15', 20', 28', 34', 40', 46', 48', 51', 54', 63', 66' w/1-0.42" spf. Total 51holes. Treated perfs w/2000 gal 7.5% HCL acid & 77 perf balls. Fraced w/68,627# 16/30 Brady & 14,412# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ 3930'. PT csg to 4000 psi for 30 min-OK. Perfed upper Yeso @ 3585', 89', 97', 3606', 20', 25', 30', 35', 40', 45', 50', 55', 60', 65', 70', 75', 80', 85', 90', 95', 3700', 05', 10', 23', 28', 40', 47', 56', 60', 72', 79', 96', 3800', 08', 14', 17', 26', 39', 46', 68', 72', 84', 88', 90', 99', 3903' w/1-0.42" spf. Total 46 holes. Treated perfs w/3024 gal 7.5% HCL acid & 69 perf balls. Fraced w/77,891# 16/30 Brady & 14,967# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ 3557'. PT csg to 4000 psi for 30 min-OK. Perfed upper Yeso @ 3290', 98', 3310', 20', 25', 30', 35', 40', 50', 60', 70', 80', 85', 90', 3400', 10', 15', 20', 25', 30', 35', 40', 45', 50', 55', 60', 65', 70', 75', 80', 85', 90', 95', 3500', 05', 10', 15', 20', 25' w/1-0.42" spf. Total 39 holes. Treated perfs w/1000 gal 7.5% HCL acid & 66 perf balls. Fraced w/65,135# 16/30 Brady & 19,398# 16/30 siber prop sand in X-linked gel.

On 7/30/12, MIRUSU. Drilled CBPs @ 4304', 3930' & 3557' & CO to PBTD4768'. On 7/31/12, landed 2-7/8" 6.5# J-55 tbg @ 4705'. Ran pump & rods. Released completion rig on 8/1/12.

Spud Date: 7/17/12 Drilling Rig Release Date: 7/23/12

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 8/2/12

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

For State Use Only

APPROVED BY: J. C. Shepard TITLE Geologist DATE 8/2/12

Conditions of Approval (if any):