

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

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

Form C-103  
June 19, 2008

<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. 30-015-37673
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>N</u> : <u>330</u> feet from the <u>SOUTH</u> line and <u>1650</u> feet from the <u>WEST</u> line Section <u>30</u> Township <u>17-S</u> Range <u>28-E</u> NMPM <u>Eddy</u> County		8. Well Number <u>#12</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3633' GL		9. OGRID Number <u>281994</u>
10. Pool name or Wildcat: (96836) Red Lake, Glorieta-Yeso NE		

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: Payadd Workover ☒

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

LRE would like to perform a payadd workover on this Glorieta-Yeso oil well as follows: MIRUSU. TOH w/rods, pump, & tbg. Set a 5-1/2" CBP @ about 3600'. (Existing Yeso perfs are @ 3623'-4598'). Perf upper Yeso @ about 3385'-3543' w/about 39 holes. Stimulate with about 2000 gal 7.5% NEFE acid & frac w/about 90,125# 16/30 sand in 25# X-linked gel. CO after frac & drill out CBP @ 3600' & CO to about PBTD4730'. Re-land 2-7/8" production tbg @ about 3285'. Run pump & rods & release workover rig. Complete as a single Glorieta-Yeso oil well. See the attached current & proposed wellbore diagrams.

Spud Date: 5/24/10 Drilling Rig Release Date: 6/12/10

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

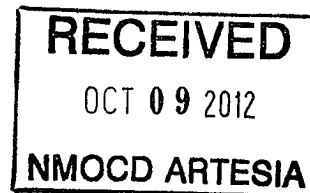
SIGNATURE Mike Pippin TITLE Petroleum Engineer - Agent DATE 10/4/12

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

**For State Use Only**

APPROVED BY: T.C. Shogard TITLE Geologist DATE 10/10/2012

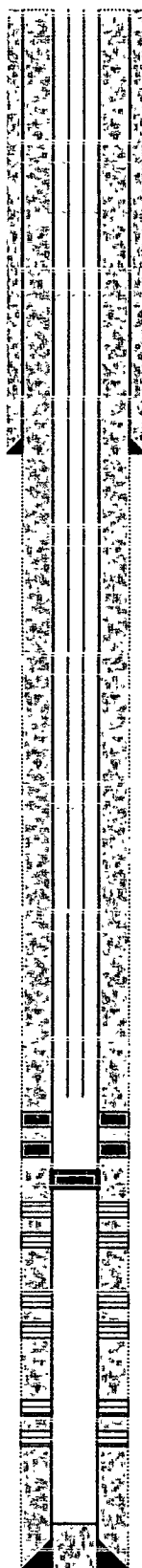
Conditions of Approval (if any):





# Proposed Upper Yeso Pay Add AFE W12096

Staley State A #12  
Sec 30-17S-28E (N)  
330' FSL, 1650' FWL  
Elevation - 3,633'  
API #: 30-015-37673  
Eddy County, NM



8-5/8", 23#, J-55, ST&C Casing @ 425'. Circulated  
125 sx to Surface.

Proposed Perfs: 3,385' - 3,543' (1 SPF - 39 holes)

CIBP @ +/- 3600'

Perfs: 3,623' - 3,859' (2 SPF - 48 holes)

Perfs: 3,924' - 4,222' (2 SPF - 56 holes)

Perfs: 4,290' - 4,598' (2 SPF - 48 holes)

PBTD @ 4,737'

5-1/2": 17# J-55: ST&C Casing @ 4,773'. Circulated  
135 sx to Surface. (06/12/2010)

TD @ 4,785'

Stim Info: 4536 gal 15% NEFE; Frac w/ 76,970 # 16/30  
Ottawa & 32,762 # Siber Prop in 80k gal of 20# x-linked  
gel. (6/30/10)

Stim Info: 4000 gal 15% NEFE; Frac w/ 94,820 # 16/30  
Ottawa & 41,513 # Siber Prop in 106k gal 20# x-linked  
gel. (6/30/10)

Stim Info: 5000 gal 15% NEFE; Frac w/ 93,250 # 16/30  
Ottawa & 43,670 # Siber Prop in 106k gal of 20# x-linked  
gel. (6/30/10)

## GEOLOGY

Zone	Top
Queen	1,038
Grayburg	1,423'
San Andres	2,082'
Glorieta	3,165'
Yeso	3,273'
Tubb	4,679'

## SURVEYS

Degrees	Depth
1/2°	416'
1/4°	1,032'
1/4°	1,512'
1/2°	2,017'
3/4°	2,517'
3/4°	3,022'
1°	3,526'
1-1/4°	4,025'
1°	4,505'