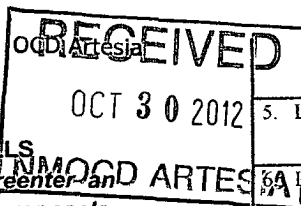


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.



FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

5. Lease Serial No.
NMNM 048344

6a. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
KERSEY WILLIAMS A FEDERAL #9

3
30-015-36829

10. Field and Pool, or Exploratory Area
Red Lake: Queen-Grayburg-San Andres (51300)
AND
Eddy County, New Mexico

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
LRE OPERATING, LLC

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

3b. Phone No. (include area code)
505-327-4573

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2282' FNL & 2267' FEL Unit G
Sec. 28, T17S, R28E

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input 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 checked="" 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 type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other Payadd Workover
	<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 Operations (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 recomple 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 recompletion 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.)

Existing San Andres perfs before payadd workover @ 2783'-3043 & 3209'-3305' w/RBP @ 3171'.

9/4/12: MIRUSU. Set 5-1/2" CBP @ 2730' & PT to 4000 psi-OK. Perfed upper San Andres @ 2485', 87', 94', 2505', 12', 20', 30', 35', 45', 50', 55', 65', 75', 85', 94', 2606', 10', 15', 20', 25', 30', 35', 45', 55' w/1-0.42" spf & 2665', 75', 85', w/2-0.42" spf. Total 30 holes. On 9/6/12, treated new perfs w/2000 gal 7.5% HCL acid & 45 perf balls. Fraced perfs w/52,010# 16/30 Brady & 14,061# 16/30 siber prop sand in X-linked gel. Set 5-1/2" CBP @ 2460' & PT to 4000 psi-OK. Perfed upper San Andres @ 2255', 64', 72', 82', 88', 95', 2300', 05', 13', 21', 26', 31', 34', 43', 46', 51', 57', 65', 70', 76', 83', 88', 90', 97' w/1-0.42" spf & 2404', 14', 20' w/2-0.42" spf. Total 30 holes. Treated perfs w/1818 gal 7.5% HCL acid & 45 perf balls. Fraced perfs w/43,111# 16/30 Brady & 16,133# 16/30 siber prop sand in X-linked gel. CO after frac & drilled out CBPs @ 2460' & 2730' & CO to 3146'. On 9/10/12, landed 2-7/8" 6.5# J-55 tbg @ 3112'. Ran pump & rods. Released workover rig on 9/11/12.

Accepted for record
10/30/12

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed) Mike Pippin Title Petroleum Engineer (Agent)

Signature *Mike Pippin* Date September 20, 2012

THIS SPACE FOR FEDERAL OR STATE USE

Approved by Title Date OCT 27 2012

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, makes 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.

CARLSBAD FIELD OFFICE