

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

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

WELL API NO.
30-015-40553

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
EDDY-HUMBLE 4 STATE

8. Well Number **#1 SWD**

9. OGRID Number 281994

10. Pool name or Wildcat
SWD, Abo/Wolfcamp/Cisco (97967)

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 **SWD-1345**

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 **J** : **2310** feet from the **SOUTH** line and **1650** feet from the **EAST** line
Section **4** Township **18-S** Range **28-E** NMPM **Eddy** County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3665' GL

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: Add Perfs & Acidize ☒

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 OPERATING, LLC would like to add about 33 perfs 7657'-7773' and acidize all perfs with about 18,400 gal 15% HCL acid in this new SWD well. There will be no flow-back during this operation.

RECEIVED

NOV 14 2012

NMOCD ARTESIA

Spud Date: 8/23/12

Drilling Rig Release Date: 10/5/12

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 11/12/12

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

For State Use Only

APPROVED BY: RDade TITLE Dir. H.S. Superviser DATE 11/14/12

Conditions of Approval (if any):