

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

WELL API NO. 30-015-34086
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name STALEY STATE
8. Well Number #3
9. OGRID Number 281994
10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836) Red Lake, Queen-Grayburg-San Andres

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 ☐

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 I : 2310 feet from the SOUTH line and 330 feet from the EAST line
Section 30 Township 17-S Range 28-E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3601' 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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P&A SA ☒
CASING/CEMENT JOB ☒

OTHER: SQ All Perfs, Deepen Well, & Run 4" Liner ☒

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.

2/14/13: MIRUSU. TOH w/rods, pump, & tbg. Retrieved RBP @ 3250' & TOH. Set a 5-1/2" cmt ret @ 3224' on 2-7/8" tbg & SQ Yeso perfs 3306'-3612' w/511 sx (680 cf) "C" cmt w/2% CaCl₂. Set a 5-1/2" pkr @ 2224' on 2-7/8" tbg & SQ SA perfs 2627'-2875' w/350 sx (466 cf) "C" cmt. TOH w/tbg & pkr. Released service unit on 2/15/13. On 2/18/13, MIRU drilling rig. Using 4-3/4" bit, drilled out cmt from 2218' to 2902'. PT SQ perfs 2627'-2875' to 500 psi for 15 min-OK. Drilled cmt from 2963'-3628' & CO to 3648'. PT SQ perfs 3306'-3612' to 500 psi. Pressure leaked off @ 20 psi/min. Using 4-3/4" bit, drilled out 5-1/2" shoe & formation to new TD4860'. Ran open hole logs. Landed 4" 11.6# L-80 ultra flush joint liner @ 4860' w/liner hanger @ 3197'. Ran liner on 2-7/8" tbg. Before cmtg liner, PT annulus to 500 psi for 10 min-OK. Cmted 4" liner w/195 sx (257 cf) "C" cmt w/0.2% PF-013 retarder & 0.125% PF-029 CF. PT liner to 500 psi for 15 min-OK. Stung out of liner hanger & circ 25 bbls cmt to surface. TOH w/2-7/8" tbg. Released drilling rig on 3/4/13.

RECEIVED

MAR 14 2013

NMOC D ARTESIA

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 3/13/13

Type or print name Mike Pippin

E-mail address: mike@pippinllc.com

PHONE: 505-327-4573

For State Use Only

APPROVED BY: [Signature]

TITLE Dis. Supervisor

DATE 3/18/2013

Conditions of Approval (if any):