

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 ☒ FEE ☐
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)

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

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MAR 27 2013
NMOCD ARTESIA

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&A SA ☒
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: Completion After Deepening ☒

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 3/4/13, MIRUSU. CO cmt to PBTD4813'. Perfed lower Yeso @ 4350', 56', 72', 84', 92', 96', 4404', 08', 36', 40', 45', 50', 55', 60', 64', 68', 74', 80', 91', 4530', 36', 44', 50', 56', 60', 84', 88', 94', 4608', 20', 29', 40', 47', 54', 63' w/1-0.41" spf. Total 35 holes. Set 5-1/2" pkr @ 3098' on 3-1/2" 9.3# L-80 frac string & PT annulus to 500 psi for 15 min-OK. Treated new perfs w/4220 gal 15% HCL acid & 50 perf balls. On 3/13/13, fraced lower Yeso w/68,880# 16/30 Brady & 23,779# 16/30 siber prop sand in X-linked gel. TOH. Set 4" CBP @ 4328'. PT CBP to 4000 psi-OK. Perfed middle Yeso @ 3988', 94', 4000', 08', 14', 20', 26', 32', 38', 44', 50', 58', 64', 70', 76', 82', 88', 94', 4100', 06', 10', 16', 20', 26', 32', 38', 44', 48', 54', 60', 80', 86', 4206', 12', 16', 20', 30', 46', 50', 56', 60', 66', 75', 84' w/1-0.41" spf. Total 44 holes. Set 5-1/2" pkr @ 3098' on 3-1/2" 9.3# L-80 frac string & PT annulus to 500 psi for 15 min-OK. Treated perfs w/4000 gal 15% HCL acid & 66 perf balls. Fraced w/64,380# 16/30 Brady & 26,750# 16/30 siber prop sand in X-linked gel. TOH.

Set 4" CBP @ 3960'. PT CBP to 1500 psi-OK. Perfed upper Yeso @ 3604', 10', 14', 30', 48', 52', 63', 3710', 16', 22', 28', 34', 40', 83', 3830', 36', 42', 58', 68', 74', 80', 87', 93', 3911', 34', 40', 44' w/1-0.41" spf. Total 27 holes. Set 5-1/2" pkr @ 3098' on 3-1/2" 9.3# L-80 frac string & PT annulus to 500 psi for 15 min-OK. Treated perfs w/4400 gal 15% HCL acid & 41 perf balls. Fraced w/74,128# 16/30 Brady & 37,554# 16/30 siber prop sand in X-linked gel. TOH.

Set 4" CBP @ 3580'. PT CBP to 1500 psi, but would not test. (SQed perfs @ 2627'-2875'). Set 5-1/2" pkr @ 3109' & PT annulus to 1000 psi for 5 min-OK. Pumped down tbg, but would not test. The decision was made to abandon frac stage #4. TOH.

Drilled CBPs @ 3580', 3960', & 4328', & CO to new PBTD4809'. On 3/22/13, landed 2-7/8" 6.5# J-55 tbg @ 4187'. Ran pump & rods. Released completion rig on 3/22/13. Completed well as a single Yeso oil well.

Spud Date: 6/22/05

Drilling Rig Release Date:

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 3/25/13

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-PT Supervisor DATE 3/27/13

Conditions of Approval (if any):

gmw