

Submit To Appropriate District Office  
 Two Copies  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Avenue, 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-105  
 July 17, 2008

1. WELL API NO.  
 30-015-34086  
 2. Type of Lease  
 STATE  FEE  FED/INDIAN  
 3. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

4. Reason for filing:  
 COMPLETION REPORT (Fill in boxes #1 through #31 for State and Fee wells only)  
 C-144 CLOSURE ATTACHMENT (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC)

5. Lease Name or Unit Agreement Name  
**STALEY STATE**  
 6. Well Number: **3**

7. Type of Completion:  
 NEW WELL  WORKOVER  DEEPENING  PLUGBACK  DIFFERENT RESERVOIR  OTHER Abandon San Andres

8. Name of Operator: **LRE OPERATING, LLC.**  
 9. OGRID: 281994

10. Address of Operator: c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401  
 11. Pool name or Wildcat:  
 Red Lake; Queen-Grayburg-San Andres (51300)  
 Red Lake; Glorieta-Yeso NE (96836)

| 12. Location | Unit Ltr | Section | Township | Range | Lot | Feet from the | N/S Line | Feet from the | E/W Line | County |
|--------------|----------|---------|----------|-------|-----|---------------|----------|---------------|----------|--------|
| Surface:     | I        | 30      | 17-S     | 28-E  |     | 2310          | SOUTH    | 330           | EAST     | EDDY   |
| BH:          |          |         |          |       |     |               |          |               |          |        |

13. Date Spudded: 06/22/05  
 14. Date T.D. Reached: 06/30/05  
 15. Date Rig Released:  
 16. Date Completed (Ready to Produce): WO: 3/22/13  
 17. Elevations (DF and RKB, RT, GR, etc.): 3,601' GR

18. Total Measured Depth of Well: 4860'  
 19. Plug Back Measured Depth: 4809'  
 20. Was Directional Survey Made? Yes  
 21. Type Electric and Other Logs Run: Ind & Dens/Neut

22. Producing Interval(s), of this completion - Top, Bottom, Name  
 3604'-3944', Upper Yeso; 3988'-4284', Middle Yeso; 4350'-4663', Lower Yeso

23. CASING RECORD (Report all strings set in well)

| CASING SIZE | WEIGHT LB./FT.   | DEPTH SET | HOLE SIZE | CEMENTING RECORD      | AMOUNT PULLED |
|-------------|------------------|-----------|-----------|-----------------------|---------------|
| 8-5/8"      | 24#              | 406'      | 12-1/4"   | 375 sx Class C - Circ |               |
| 5-1/2"      | 17# & 15.5# J-55 | 3984'     | 7-7/8"    | 350 sx Lite+650 sx C  |               |

| 24. LINER RECORD |       |        |              | 25. TUBING RECORD |        |           |            |
|------------------|-------|--------|--------------|-------------------|--------|-----------|------------|
| SIZE             | TOP   | BOTTOM | SACKS CEMENT | SCREEN            | SIZE   | DEPTH SET | PACKER SET |
| 4" 11.6# L-80    | 3197' | 4860'  | 195          |                   | 2-7/8" | 4187'     |            |

| 26. Perforation record (interval, size, and number)  | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.  |                |                               |             |   |             |   |             |   |
|--|--|----------------|-------------------------------|-------------|---|-------------|---|-------------|---|
| San Andres: 2627'-2875', 34 holes, SQ w/350 sx cmt on 2/15/13<br>Yeso: 3306'-3612', 54 holes, SQ w/511 sx cmt on 2/15/13.<br>Set 4" liner 3197'-4860' on 3/1/13<br>3604'-3944' w/27-0.41" holes on 3/16/13<br>3988'-4284' w/44-0.41" holes on 3/14/13<br>4350'-4663' w/35-0.41" holes on 3/7/13. | <table border="1"> <thead> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> </thead> <tbody> <tr> <td>3604'-3944'</td> <td>4400 gals 15% HCL &amp; fraced w/74,128# 16/30 Brady &amp; 37,554# 16/30 Siber Prop sand in X-linked gel.</td> </tr> <tr> <td>3988'-4284'</td> <td>4000 gals 15% HCL &amp; fraced w/64,380# 16/30 Brady &amp; 26,750# 16/30 Siber Prop sand in X-linked gel.</td> </tr> <tr> <td>4350'-4663'</td> <td>4200 gals 15% HCL &amp; fraced w/68,880# 16/30 Brady &amp; 23,779# 16/30 Siber Prop sand in X-linked gel.</td> </tr> </tbody> </table> | DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED | 3604'-3944' | 4400 gals 15% HCL & fraced w/74,128# 16/30 Brady & 37,554# 16/30 Siber Prop sand in X-linked gel. | 3988'-4284' | 4000 gals 15% HCL & fraced w/64,380# 16/30 Brady & 26,750# 16/30 Siber Prop sand in X-linked gel. | 4350'-4663' | 4200 gals 15% HCL & fraced w/68,880# 16/30 Brady & 23,779# 16/30 Siber Prop sand in X-linked gel. |
| DEPTH INTERVAL   | AMOUNT AND KIND MATERIAL USED  |                |                               |             |   |             |   |             |   |
| 3604'-3944'  | 4400 gals 15% HCL & fraced w/74,128# 16/30 Brady & 37,554# 16/30 Siber Prop sand in X-linked gel.  |                |                               |             |   |             |   |             |   |
| 3988'-4284'  | 4000 gals 15% HCL & fraced w/64,380# 16/30 Brady & 26,750# 16/30 Siber Prop sand in X-linked gel.  |                |                               |             |   |             |   |             |   |
| 4350'-4663'  | 4200 gals 15% HCL & fraced w/68,880# 16/30 Brady & 23,779# 16/30 Siber Prop sand in X-linked gel.  |                |                               |             |   |             |   |             |   |

28. PRODUCTION

|   |   |                                |                         |           |              |                             |                 |
|---|---|--------------------------------|-------------------------|-----------|--------------|-----------------------------|-----------------|
| Date First Production Ready   | Production Method (Flowing, gas lift, pumping - Size and type pump) | Well Status (Prod. or Shut-in) |                         |           |              |                             |                 |
|   |   | Producing                      |                         |           |              |                             |                 |
| Date of Test  | Hours Tested  | Choke Size                     | Prod'n For Test Period: | Oil - Bbl | Gas - MCF    | Water - Bbl.                | Gas - Oil Ratio |
| Flow Tubing Press.  | Casing Pressure   | Calculated 24-Hour Rate        | Oil - Bbl.              | Gas - MCF | Water - Bbl. | Oil Gravity - API - (Corr.) |                 |
| 29. Disposition of Gas (Sold, used for fuel, vented, etc.) To Be Sold |   |                                |                         |           |              | A                           |                 |

30. Test Witnessed By:

31. List Attachments

32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit.

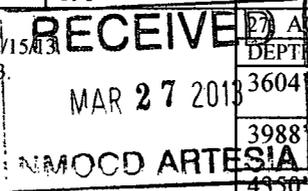
33. If an on-site burial was used at the well, report the exact location of the on-site burial:

Latitude Longitude NAD 1927 1983

I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature: *Mike Pippin* Printed Name: Mike Pippin. Title: Petroleum Engineer Date: 3/25/13

E-mail Address: mike@pippinllc.com



*aw*

# INSTRUCTIONS

## STALEY STATE #3 - Sq all Perfs, Drilled Deeper, Set 4" Liner, Completed Yeso w/3 Stages

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

### INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

| Southeastern New Mexico |                  | Northwestern New Mexico |                  |
|-------------------------|------------------|-------------------------|------------------|
| T. Anhy                 | T. Canyon        | T. Ojo Alamo            | T. Penn A"       |
| T. Salt                 | T. Strawn        | T. Kirtland             | T. Penn. "B"     |
| B. Salt                 | T. Atoka         | T. Fruitland            | T. Penn. "C"     |
| T. Yates 274'           | T. Miss          | T. Pictured Cliffs      | T. Penn. "D"     |
| T. 7 Rivers 503'        | T. Devonian      | T. Cliff House          | T. Leadville     |
| T. Queen 1070'          | T. Silurian      | T. Menefee              | T. Madison       |
| T. Grayburg 1493'       | T. Montoya       | T. Point Lookout        | T. Elbert        |
| T. San Andres 1796'     | T. Simpson       | T. Mancos               | T. McCracken     |
| T. Glorieta 3170'       | T. McKee         | T. Gallup               | T. Ignacio Otzte |
| T. Paddock              | T. Ellenburger   | Base Greenhorn          | T. Granite       |
| T. Yeso 3289'           | T. Gr. Wash      | T. Dakota               |                  |
| T. Tubb 4708'           | T. Delaware Sand | T. Morrison             |                  |
| T. Drinkard             | T. Bone Springs  | T. Todilto              |                  |
| T. Abo                  | T.               | T. Entrada              |                  |
| T. Wolfcamp             | T.               | T. Wingate              |                  |
| T. Penn                 | T.               | T. Chinle               |                  |
| T. Cisco (Bough C)      | T.               | T. Permian              |                  |

### OIL OR GAS SANDS OR ZONES

No. 1, from.....to..... No. 3, from.....to.....  
 No. 2, from.....to..... No. 4, from.....to.....

### IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to..... feet.....  
 No. 2, from.....to..... feet.....  
 No. 3, from.....to..... feet.....

### LITHOLOGY RECORD (Attach additional sheet if necessary)

| From | To | Thickness<br>In Feet | Lithology   | From | To | Thickness<br>In Feet | Lithology |
|------|----|----------------------|-------------|------|----|----------------------|-----------|
|      |    |                      | - On File - |      |    |                      |           |