

RECEIVED

MAR 21 2013

NM OGD ARTESIA

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-015-40983

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 #20

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 O : 330 feet from the SOUTH line and 1650 feet from the EAST lineSection 30 Township 17-S Range 28-E NMPM Eddy County

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

3648' 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 AND A ☐CASING/CEMENT JOB ☐OTHER: Completion ☒

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 3/13/13, PT 5-1/2" csg to 5000 psi for 30 min-OK. Perfed lower Yeso @ 4330', 35', 40', 45', 50', 55', 60', 65', 70', 75', 80', 85', 90', 95', 4400', 05', 15', 18', 20', 25', 30', 35', 40', 45', 50', 55', 60', 65', 70', 75', 80', 85', 90', 95', 4500', 05', 10', 15', 20', 25', 30', 35', 40', 45', 50', 55', 60', 65', 70', 75', 80', 85', 90', 95', 4600', 05', 10', 15', 20', 25', 30', 35', 40', 45', 50', 55', 60' w/1-0.42" spf. Total 67 holes. On 3/15/13, treated w/3300 gal 15% HCL acid & 101 perf balls. Fraced lower Yeso w/63,247# 16/30 Brady & 23,277# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ 4305'. PT csg & CBP to 4000 psi-OK. Perfed middle Yeso @ 3980', 86', 92', 96', 4001', 08', 16', 22', 28', 34', 39', 48', 54', 60', 65', 70', 76', 80', 88', 94', 4100', 12', 20', 29', 40', 46', 52', 58', 62', 68', 76', 86', 94', 4204', 14', 24', 34', 44', 50', 55', 64', 74', 80' w/1-0.42" spf. Total 43 holes. Treated perfs w/3000 gal 15% HCL acid & 65 perf balls. Fraced w/61,213# 16/30 Brady & 24,082# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ 3940'. PT csg to 4000 psi-OK. Perfed upper Yeso @ 3650', 55', 60', 65', 70', 75', 80', 85', 90', 95', 3700', 05', 10', 15', 20', 25', 30', 35', 40', 45', 50', 55', 60', 65', 70', 75', 80', 85', 90', 95', 3800', 05', 10', 15', 20', 25', 30', 35', 40', 45', 50', 55', 60', 65', 70', 75', 80', 85', 90', 95', 3900' w/1-0.42" spf. Total 51 holes. Treated perfs w/3000 gal 15% HCL acid & 77 perf balls. Fraced w/56,615# 16/30 Brady & 19,465# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ 3620'. PT csg to 4000 psi-OK. Perfed upper Yeso @ 3290', 98', 3304', 10', 16', 24', 32', 40', 46', 54', 60', 68', 74', 80', 90', 3400', 12', 16', 24', 34', 40', 46', 54', 60', 68', 74', 80', 88', 96', 3502', 08', 14', 22', 28', 44', 52', 67', 80', 90' w/1-0.42" spf. Total 39 holes. Treated perfs w/3000 gal 15% HCL acid & 59 perf balls. Fraced w/85,744# 16/30 Brady & 28,664# 16/30 siber prop sand in X-linked gel.

On 3/16/13, MIRUSU. Drilled CBPs @ 3620', 3940' & 4305' & CO to PBTD4861'. On 3/19/13, landed 2-7/8" 6.5# J-55 tbg @ 4771'. Ran pump & rods. Released completion rig on 3/19/13.

Spud Date: 3/3/13

Drilling Rig Release Date: 3/10/13

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Type or print name Mike PippinTITLE Petroleum Engineer - AgentE-mail address: mike@pippinllc.comDATE 3/20/13PHONE: 505-327-4573

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APPROVED BY: RL DadeTITLE District SupervisorDATE 3/27/13

Conditions of Approval (if any):