

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. 30-015-40026
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 #17
9. OGRID Number 281994
10. Pool name or Wildcat Red Lake, Queen-Grayburg-San Andres (51300) 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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
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 <u>N</u> : <u>330</u> feet from the <u>SOUTH</u> line and <u>2410</u> feet from the <u>WEST</u> line Section <u>30</u> Township <u>17-S</u> Range <u>28-E</u> NMPM Eddy County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3880' 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: Recompleted from Yeso to San Andres ☒

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 has recompleted this well from the Red Lake, Glorieta-Yeso NE (96836) to the Red Lake, Queen-Grayburg-San Andres (51300) as follows: On 3/18/13, MIRUSU. TOH w/rods, pump, & tbg. Set 5-1/2" pkr on 2-7/8" tbg @ MD3104' & PT annulus to 2000 psi for 20 min-OK. Set 5-1/2" CBP @ MD3100' & PT CBP & 5-1/2" csg to 4000 psi for 10 min-OK. Perfed lower San Andres @ MD2731', 41', 51', 61', 71', 81', 87', 95', 2803', 11', 19', 25', 31', 41', 49', 55', 60', 67', 75', 81', 87', 95', 2903', 11', 17', 25', 33', 39', 45', 51', 61', 69', 75', 81' w/1-0.42" spf. Total 34 holes. Treated w/3000 gal 7.5% HCL acid & 51 perf balls. On 3/20/13, fraced lower San Andres w/58,179# 16/30 Berry White & 31,732# 16/30 resin coated and in 20# X-linked gel. Spotted 1000 gal 7.5% HCL across next stage perfs.

Set 5-1/2" CBP @ MD2708'. PT csg & CBP to 4000 psi for 5 min-OK. Perfed middle San Andres @ MD2451', 63', 73', 81', 89', 97', 2507', 15', 25', 33', 43', 51', 57', 65', 73', 81', 87', 95', 2601', 07', 11', 17', 23', 29', 35', 41', 51', 61', 71', 81' w/1-0.42" spf. Total 30 holes. Treated w/3000 gal 7.5% HCL acid & 40 perf balls. Fraced w/60,418# 16/30 Berry White & 34,437# resin coated 16/30 sand in 20# X-linked gel. Spotted 1000 gal 7.5% HCL across next stage perfs.

Set 5-1/2" CBP @ MD2425'. PT csg to 4000 psi for 5 min-OK. Perfed upper San Andres @ MD2101', 11', 19', 25', 31', 37', 45', 53', 63', 69', 77', 85', 93', 2201', 11', 19', 27', 35', 43', 51', 57', 65', 71', 79', 85', 91', 97', 2303', 11', 19', 27', 35', 43', 51', 59', 65', 71', 81', 91', 2401' w/1-0.42" spf. Total 40 holes. Treated perfs w/3000 gal 15% HCL acid & 65 perf balls. Fraced w/79,036# 16/30 Berry White & 51,210# 16/30 resin coated sand in 20# X-linked gel.

On 3/22/13, MIRUSU. Drilled CBPs @ MD2425' & 2708' & CO to CBP @ new MDPBTD3100'. On 3/26/13, landed 2-7/8" 6.5# J-55 tbg @ MD3047'. Ran pump & rods. Released completion rig on 3/26/13. Completed the well as a single San Andres oil well with the Yeso perfs, MD3318'-4680', SI under CBP @ MD3100' and will be evaluated for DHC in a few months.

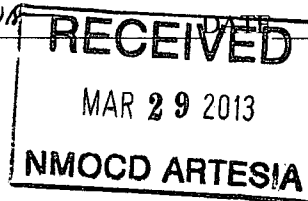
Spud Date: 3/15/12

Drilling Rig Release Date: 3/23/12

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 3/27/13
Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573
For State Use Only

APPROVED BY: R Wade TITLE Dist R Spewer
Conditions of Approval (if any):



4/9/2013