

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB No. 1004-0155
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMLC-046250 B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
WILLIAMS B FEDERAL #2

9. API Well No.
30-015-37203

10. Field and Pool, or Exploratory Area
**Red Lake, San Andres (97253)
Artesia, Glorieta-Yeso (96830)
AND
Eddy County, New Mexico**

SUBMIT IN TRIPLICATE - Other instructions on reverse side

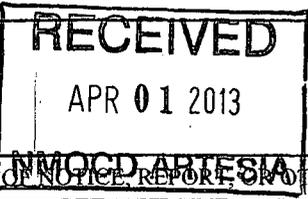
1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
LRE OPERATING, LLC

3a. Address c/o Mike Pippin LLC
3104 N. Sullivan, Farmington, NM 87401

3b. Phone No. (include area code)
505-327-4573

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**1650' FNL & 1750' FWL Unit F
Sec. 29, T17S, R28E**



12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input checked="" type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input checked="" type="checkbox"/> Recomplete <input type="checkbox"/> Other Recomplete To <u>San Andres</u>
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

LRE would like to recomplete from the Yeso to the San Andres as follows: MIRUSU. TOH w/production equipment. Set 5-1/2" CBP @ about 3250' & top w/20' of sand. PT to about 4000 psi. (Existing Yeso perms are 3304'-3508'). Perf San Andres @ about 2748'-3165' w/about 53 holes. Treat new SA perms w/about 4200 gal 15% NEFE acid & frac w/about 130,750# 16/30 sand in X-linked gel.

Set 5-1/2" CBP @ about 2700' & PT to about 4000 psi. Perf upper San Andres @ about 2250'-2560' w/about 62 holes. Treat new upper San Andres perms w/about 3100 gal 15% NEFE acid & frac w/about 97,250# 16/30 sand in X-linked gel. CO after frac, drill CBP @ 2700', & CO to about 3230'. Land 2-7/8" tbg @ about 3175' & run pump & rods. Release workover rig. Complete as a single San Andres oil well.

This well will then be evaluated for a Yeso-San Andres commingle.

Verbal Approval to Mike Pippin 3-27-13 @ 13:25 J. Pons

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) Mike Pippin	Title Petroleum Engineer (Agent)
Signature <i>Mike Pippin</i>	Date January 15, 2013

THIS SPACE FOR FEDERAL OR STATE USE

Approved by <i>James R. Pons</i>	Title SEAS	Date 3-27-13
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Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office
CAO

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

(C102 attached)

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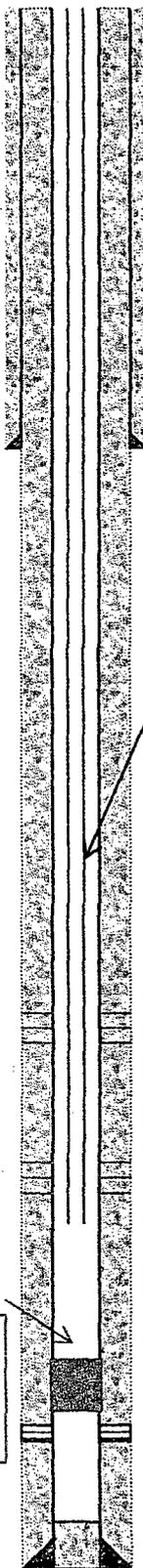
Accepted for record
NMOCD 4/2/2013



LRE OPERATING, LLC

Recompletion San Andres POOL AFE

Williams B Federal #2
 Sec 29-17S-28E (F)
 1650' FNL, 1750' FWL
 Elevation - 3,618'
 API #: 30-015-37203
 Eddy County, NM



8-5/8", 24#, J-55, ST&C Casing @ 385'. Circulated 166 sx to surface.

2-7/8"; 6.5#, L-80 Tubing

Proposed:
Middle San Andres: Perf 2250'-2560' (1 spf, 62 holes). Frac; 3100 g 15% HCL and 93 ball sealers, 52,500 g xlink gel, 77,000 lbs 16/30 Brady & 20,250 lbs 16/30 SiberProp at 55 BPM

Proposed:
Lower San Andres: Perf 2748'-3165' (1 spf, 53 holes). Frac; 4200 g 15% HCL and 80 ball sealers, 71,000 g xlink gel, 101,500 lbs 16/30 Brady & 29,250 lbs 16/30 SiberProp at 55 BPM

Glorieta - Yeso Perfs added 2/15/12:
 3304', 3310', 3314', 3321', 3329',
 3335', 3339', and 3354' (2 SPF, 16 holes)

Frac 3304'-3508' 2/17/12: 3,500 gal 7-1/2% HCL and 130 ball sealers, 83520 Gal 25# and 20# Cross linked gel, 4250 lbs 100 Mesh sand, 120425 #'s 16/30 Brady Sand and 20000 #'s of 16/30 SiberProp at 55 BPM

Proposed CFP at 3250' w 20' cmt on top

Perfs 10/29/09: 3,346' - 3'508' (1 SPF, 27 holes)

PBTD @ 3,590'

Stim Info 10/30/09: 4,910 gal 15% NEFE; Frac'd w/ 80,591 # 16/30 & 34,978 # 12/20 in 25# X-Linked gel: (11/2/09)

5-1/2"; 17#, J-55; ST&C Casing @ 3,614'. Circulated 158 sx to surface. (10/22/2009)

TD @ 3,630'

GEOLOGY

Zone	Top
Queen	1,104'
Grayburg	1,522'
San Andres	1,840'
MSA	2,138'
LSA	2,759'
Glorieta	3,228'
Yeso	3,327'

SURVEYS

Degrees	Depth
3/4°	384'
1/2°	998'
3/4°	1,535'
1°	2,008'
1°	2,512'
1-1/4°	2,987'
1°	3,630'

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 & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-37203		² Pool Code 97253		³ Pool Name RED LAKE, San Andres	
⁴ Property Code 309867		⁵ Property Name WILLIAMS B FEDERAL			⁶ Well Number 2
⁷ OGRID No. 281994		⁸ Operator Name LRE OPERATING, LLC.			⁹ Elevation 3618' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	29	17-S	28-E		1650	NORTH	1750	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>^c <i>Mike Pippin</i> 1/15/13 Signature Date</p> <p>Mike Pippin Printed Name</p>