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|---|--|---|---------|---|------------------------------------|---|--|--|---------------|---------------------------------------|--------|
| 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 | | | | | | |
| WELL COMPLETION OR RECOMPLETION REPORT AND LOG | | | | | | | 1. WELL API NO. 30-015-41065 | | | | |
| 4. Reason for filing: <input checked="" type="checkbox"/> COMPLETION REPORT (Fill in boxes #1 through #31 for State and Fee wells only) <input type="checkbox"/> 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) | | | | | | | 2. Type of Lease <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> FED/INDIAN 3. State Oil & Gas Lease No. | | | | |
| 7. Type of Completion: <input checked="" type="checkbox"/> NEW WELL <input type="checkbox"/> WORKOVER <input type="checkbox"/> DEEPENING <input type="checkbox"/> PLUGBACK <input type="checkbox"/> DIFFERENT RESERVOIR <input type="checkbox"/> OTHER | | | | | | | 5. Lease Name or Unit Agreement Name STALEY STATE 6. Well Number: #24 | | | | |
| 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, 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: | | N | 30 | 17-S | 28-E | | 990 | South | 2335 | West | Eddy |
| BH: | | | | | | | | | | | |
| 13. Date Spudded 6/16/13 | | 14. Date T.D. Reached 6/20/13 | | 15. Date Drilling Rig Released 6/22/13 | | 16. Date Completed (Ready to Produce) 7/1/13 | | 17. Elevations (DF and RKB, RT, GR, etc.): 3624' GR | | | |
| 18. Total Measured Depth of Well 4900' | | | | 19. Plug Back Measured Depth 4854' | | 20. Was Directional Survey Made? Yes | | 21. Type Electric and Other Logs Run Cased Hole GRN Log | | | |
| 22. Producing Interval(s), of this completion - Top, Bottom, Name 3300'-3460'-Upper Yeso, 3490'-3644'- Upper Yeso, 3790'-4120' - Middle Yeso, 4194'-4460' - 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# J-55 | | 435' | | 11" | | 225 sx CI C | | 0' | |
| 5-1/2" | | 17# J-55 | | 4893' | | 7-7/8" | | 300 sx 35/65 Poz/C | | 0' | |
| | | | | | | | | + 600 sx C | | | |
| 24. LINER RECORD | | | | | | 25. TUBING RECORD | | | | | |
| SIZE | | TOP | | BOTTOM | | SACKS CEMENT | | SCREEN | | SIZE | |
| | | | | | | | | | | 2-7/8" | |
| | | | | | | | | | | 4578' | |
| 26. Perforation record (interval, size, and number) | | | | | | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. | | | | | |
| Upper Yeso: 3300'-3460', 33 holes | | | | | | DEPTH INTERVAL | | | | | |
| Upper Yeso: 3490'-3644', 16 holes | | | | | | AMOUNT AND KIND MATERIAL USED | | | | | |
| Middle Yeso: 3790'-4120', 26 holes | | | | | | 3300'-3460' | | | | | |
| Lower Yeso: 4194'-4460', 22 holes | | | | | | 2000 gals 15% HCL; fraced w/51,119# 16/30 & 33,487# 16/30 resin coated sand in 25# X-linked gel | | | | | |
| | | | | | | 3490'-3644' | | | | | |
| | | | | | | 2000 gals 15% HCL; fraced w/48,340# 16/30 & 20,146# 16/30 resin coated sand in 20# X-linked gel | | | | | |
| | | | | | | 3790'-4120' | | | | | |
| | | | | | | 3000 gals 15% HCL; fraced w/72,500# 16/30 & 20,949# 16/30 resin coated sand in 20# X-linked gel | | | | | |
| 28. PRODUCTION | | | | | | 4194'-4460' | | | | | |
| s | | | | | | 3000 gals 15% HCL, fraced w/59,241# 16/30 Brady & 17,789# 16/30 resin coated sand in 20# X-linked gel | | | | | |
| Date First Production READY | | Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping | | | | Well Status (Prod. or Shut-in) Pumping | | | | | |
| 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 | | | | | | | | | | 30. Test Witnessed By: Jerry Smith | |
| 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: 7/2/13 | |
| E-mail Address: mike@pippinllc.com | | | | | | | | | | | |

INSTRUCTIONS

STALEY STATE #24 -- New Well

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 | T. Miss | T. Pictured Cliffs | T. Penn. "D" |
| T. 7 Rivers 506' | T. Devonian | T. Cliff House | T. Leadville |
| T. Queen 1051' | T. Silurian | T. Menefee | T. Madison |
| T. Grayburg 1478' | T. Montoya | T. Point Lookout | T. Elbert |
| T. San Andres 1780' | T. Simpson | T. Mancos | T. McCracken |
| T. Glorieta 3170' | T. McKee | T. Gallup | T. Ignacio Otzte |
| T. Yeso 3266' | T. Ellenburger | Base Greenhorn | T. Granite |
| T. Blinebry | T. Gr. Wash | T. Dakota | |
| T. Tubb 4679' | 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. 2, from.....to.....

No. 3, 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.....

LITHOLOGY RECORD (Attach additional sheet if necessary)

| From | To | Thickness In Feet | Lithology |
|------|----|----------------------|-------------|
| | | | - On File - |