

Office

Energy, Minerals and Natural Resources

June 19, 2008

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

RECEIVED

JUL 15 2008

NM OGD ARTESIA

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-015-41165

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

KERSEY STATE

8. Well Number #6

9. OGRID Number 281994

10. Pool name or Wildcat

Artesia, Glorieta-Yeso (96830)

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 P : 930 feet from the SOUTH line and 860 feet from the EAST line

Section 32 Township 17-S Range 28-E NMPM Eddy County

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

3671' 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: Spud & Casings ☒

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.

Spud well on 7/3/13. Drilled 11" hole to 450'. Landed 8-5/8" 24# J-55 csg @ 439'. Cmted w/225 sx (303 cf) "C" cmt w/2% CaCl2, 0.005# static free, & 0.25# CF. Circ 65 sx cmt to surface. On 7/5/13, PT 8-5/8" csg to 600 psi down to 580 psi in 30 min.

Drilled 7-7/8" hole from 8-5/8" csg shoe to MD4900' on 7/10/13. On 7/10/13, landed 5-1/2" 17# J-55 csg @ MD4900'. Cmted lead w/325 sx (618 cf) 35/65 poz "C" cmt w/5% salt, 6% gel, 2% R-3, & 0.125# CF. Tailed w/625 sx (825 cf) "C" cmt w/0.5% PF-13, 2% PF-167, 0.2% PF-65, & 0.125# PF-29. Circ 206 sx cmt to pit. Released drilling rig on 7/11/13. Plan to pressure test the 5-1/2" csg before completion operations.

Spud Date: 7/3/13

Drilling Rig Release Date: 7/11/13

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 7/13/13

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 Supervisor

DATE

July 16, 2013

Conditions of Approval (if any):

W