

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

JUL 25 2013

Form C-103
June 19, 2008

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED
NMOC D ARTESIA

WELL API NO.

30-015-40988

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 #26

9. OGRID Number 281994

10. Pool name or Wildcat
Red Lake, Glorieta-Yeso NE (96836)
Red Lake, Queen-Grayburg-San Andres (51300)

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 L : 1655 feet from the SOUTH line and 990 feet from the WEST line

Section 30 Township 17-S Range 28-E NMPM Eddy County

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

3598' 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 ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Acidize Yeso, Open San Andres, & DHC

☒

OTHER:

☐

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 would like to acidize the existing Yeso perms, recomplete into the Red Lake, Queen-Grayburg-San Andres (51300), and DHC as follows: MIRUSU. TOH w/rods, pump, & tbg & inspect for scale. If necessary, treat Yeso perms w/calcium sulfate converter & acidize as required. Set a 5-1/2" CBP @ ~3130' & PT csg & CBP to ~3500 psi. (Existing Yeso perms are @ 3154'-4560'). Perf lower San Andres @ ~2650'-2891' w/ ~24 holes. Stimulate with ~2500 gal 15% HCL acid & frac w/ ~83,000# 16/30 sand in 20# X-linked gel.

Set a 5-1/2" CBP @ ~2634' & PT csg & CBP to ~3500 psi. Perf middle San Andres @ ~2400'-2617' w/ ~20 holes. Stimulate with ~2200 gal 15% HCL acid & frac w/ ~73,000# 16/30 sand in 20# X-linked gel.

Set a 5-1/2" CBP @ ~2385' & PT csg & CBP to ~3500; psi. Perf upper San Andres @ ~2070'-2371' w/ ~28 holes. Stimulate with ~3000 gal 15% HCL acid & frac w/ ~91,000# 16/30 sand in 20# X-linked gel.

CO after frac & drill out CBPs @ 2385', 2634', & 3130' & CO to ~PBTD @ 4875'. Land 2-7/8" production tbg @ ~4679'. Run pump & rods & release workover rig. Complete as a commingled Yeso / San Andres oil well. Work will not commence until the DHC application in Santa Fe is approved. This will be a closed loop flow back system. See the attached wellbore diagram.

Spud Date: 2/6/13

Drilling Rig Release Date: 2/12/13

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 7/24/13

Type or print name Mike Pippin

E-mail address: mike@pippinllc.com

PHONE: 505-327-4573

For State Use Only

APPROVED BY:

JDade

TITLE

Dist. Supervisor

DATE

July 31, 2013

Conditions of Approval (if any):

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Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

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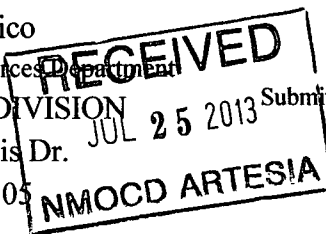
Form C-102

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 30-015-40988	² Pool Code 51300	³ Pool Name Red Lake, Queen-Grayburg-San Andres
⁴ Property Code 309874	⁵ Property Name STALEY STATE	⁶ Well Number 26
⁷ OGRID No. 281994	⁸ Operator Name LRE OPERATING, LLC	⁹ Elevation 3598' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Id	Feet from the	North/South line	Feet from the	East/West line	County
L	30	17-S	28-E	3	1655	SOUTH	990'	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.

<div style="text-align: center;">30</div>	<div style="text-align: center;">990'</div>	<div style="text-align: center;">1655'</div>	¹⁷ OPERATOR CERTIFICATION <i>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.</i> <div style="display: flex; justify-content: space-between;"> <div>Signature <u>Mike Pippin</u></div> <div>Date <u>7/24/13</u></div> </div> <div>Printed Name <u>Mike Pippin</u></div>
			¹⁸ SURVEYOR CERTIFICATION <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i> <div style="display: flex; justify-content: space-between;"> <div>Date of Survey <u>12/27/12</u></div> <div>Signature and Seal of Professional Surveyor: <u>Filmon F. Jaramillo</u></div> </div> <div>Certificate Number <u>12797</u></div>