

Submit 1 Copy To Appropriate District
Office
District I - (505) 493-6115
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88201
District III - (505) 334-6178
1000 Rio Bonito Blvd., Bernalillo, NM 87104
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

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

WELL API NO. 30-015-37673
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 #12
9. OGRID Number 281994
10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836) Red Lake, Queen-Grayburg-San Andres (51300)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3633' GL

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 N : 330 feet from the South line and 1650 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.)
3633' 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 ☐
CLOSED-LOOP SYSTEM ☒
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: Recompleted into 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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

LRE has recompleted this well from the Red Lake, Glorieta-Yeso NE to the Red Lake, Queen-Grayburg-San Andres as follows: On 7/24/13, MIRUSU. TOH w/rods, pump, & tbg. Set 5-1/2" CBP @ 3200' & PT to 4000 psi-OK. Perfed lower San Andres @ 2750', 63', 86', 94', 2800', 12', 24', 36', 44', 56', 68', 76', 82', 98', 2906', 14', 30', 38', 3010', 26', 38', 52', 60', 67', 86', 3106', 14', 22' w/1-0.34" spf. Total 28 holes. Treated w/4340 gal 15% HCL acid & 42 perf balls. On 7/30/13, fraced lower San Andres w/88,596# 16/30 Jordan White & 25,672# 16/30 resin coated and in 20# X-linked gel.

Set 5-1/2" CBP @ 2700'. PT csg & CBP to 4000 psi-OK. Perfed middle San Andres @ 2308', 24', 30', 42', 48', 68', 82', 90', 99', 2412', 26', 36', 44', 52', 60', 74', 84', 92', 98', 2506', 16', 24', 40', 60', 74', 84', 94', 2600' w/1-0.34" spf. Total 28 holes. Treated perfs w/3445 gal 15% HCL acid & 42 perf balls. Fraced w/65,573# 16/30 Jordan White & 18,632# resin coated 16/30 sand in 20# X-linked gel.

Set 5-1/2" CBP @ 2250'. PT csg to 4000 psi for 30 min-OK. Perfed upper San Andres @ 1954', 70', 80', 90', 2002', 14', 30', 44', 56', 66', 85', 92', 98', 2110', 18', 27', 38', 56', 62', 78', 86', 94', 2200', 12', 20' w/1-0.34" spf. Total 25 holes. Treated perfs w/3494 gal 15% HCL acid & 38 perf balls. Fraced w/73,219# 16/30 Jordan White & 30,694# 16/30 resin coated sand in 20# X-linked gel.

On 8/1/13, MIRUSU. Drilled CBPs @ 2250' & 2700' & CO to CBP @ 3200'. On 8/2/13, landed 2-7/8" 6.5# J-55 tbg @ 3165'. Ran pump & rods. Released completion rig on 8/3/13. Completed the well as a single San Andres oil well with the Yeso perfs, 3285'-4598', SI under CBP @ 3200'. A DHC application is now in Santa Fe waiting for approval.

Spud Date: 5/24/10 Drilling Rig Release Date: 6/12/10

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 8/5/13

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

APPROVED BY: JD Dade TITLE Dist. Rep. Supervisor DATE 8/19/13
Conditions of Approval (if any):