

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

SEP 10 2013  
OCD ArtesiaFORM APPROVED  
OMB No. 1004-0135  
Expires July 31, 1996

NMOCD ARTESIA

Lease Serial No.

NMLC 046250B

## 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.

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 874013b. Phone No. (include area code)  
505-327-4573

## 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

2310' FNL & 2310' FWL Unit F  
Sec. 29, T17S, R28E

## 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 #3

## 9. API Well No.

30-015-34723

## 10. Field and Pool, or Exploratory Area

Red Lake, San Andres (97253)  
Artesia: Glorieta-Yeso (96830)

AND

Eddy County, New Mexico

## 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 checked="" type="checkbox"/> Other Recomplete to San Andres
	<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 recompleat 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 recompleat 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 recompleat this Yeso oil well into the San Andres & DHC as follows: MIRUSU. TOH w/rods, pump, & tbg. Set a 5-1/2" CBP @ ~3260' & PT to 3500 psi. Perf Lower SA @ ~2900'-3201' w/~25 holes. Treat new perfs w/~3000 gal 15% HCL & frac w/~91,000# 16/30 sand in 20# X-linked gel. Set a 5-1/2" CBP @ ~2875' & PT to 3500 psi. Perf middle SA @ ~2560'-2851' w/~27 holes. Treat new perfs w/~3000 gal 15% HCL & frac w/~91,000# 16/30 sand in 20# X-linked gel. Set a 5-1/2" CBP @ ~2538' & PT to 3500 psi. Perf Upper SA @ ~2186'-2515' w/~32 holes. Treat new perfs w/~3300 gal 15% HCL & frac w/~108,000# 16/30 sand in 20# X-linked gel. Set a 5-1/2" CBP @ ~2120' & PT to 3500 psi. Perf Upper SA @ ~2000'-2057' w/~16 holes. Treat new perfs w/~5000 gal 15% HCL. CO after stimulations, drill all 4 CBPs & CO to PBTD @ ~3557'. Land 2-7/8" tbg @ ~3545' & run pump & rods. Release workover rig & complete as a commingled SA/Yeso oil well. The existing Glorieta-Yeso perfs are 44 holes @ 3284'-3506'. This work will not start until the DHC applications in Santa Fe & Carlsbad (BLM) are approved. We plan to utilize a closed loop system.

Accepted for record

NMOCD

SEE ATTACHED FOR

SUBJECT TO LIKE  
APPROVAL BY STATE

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

Name (Printed/Typed)

Mike Pippin

Signature

Date

Petroleum Engineer (Agent)

September 9, 2013

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

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

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

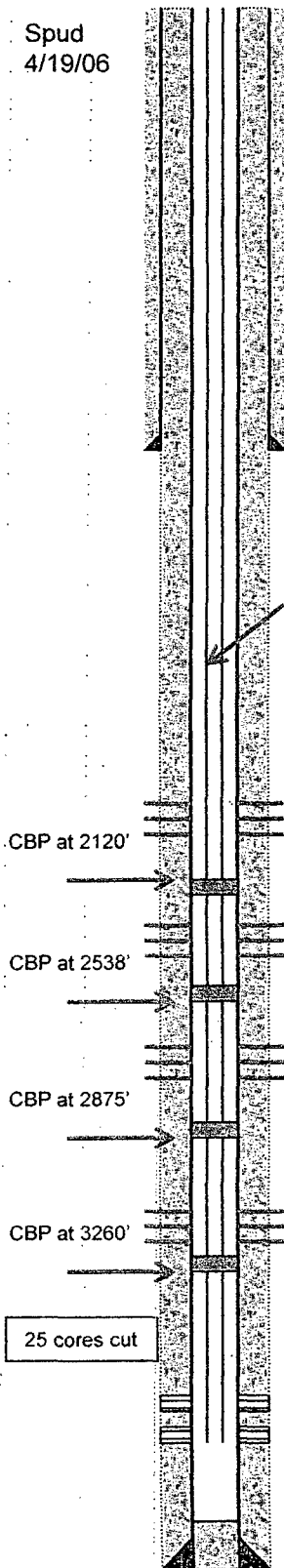
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



**LRE Operating, LLC**  
**Proposed 4 Stage San**  
**Andres Recompletion &**  
**Commingle With Yeso**  
**AFE # R13023**

**Williams B Federal #3**  
**Sec 29-17S-28E (F)**  
**2310' FNL, 2310' FWL**  
**Elevation – 3,649'**  
**API #: 30-015-34723**  
**Eddy County, NM**

Spud  
4/19/06



8-5/8", 28#, K-55, ST&C Casing @ 465'. Cmt w 375  
sx. Circulated 91 sx to surface.

2-7/8", 6.5#, J-55 Tubing, TAC @ 1900', SN @3510', 4' slotted sub, 1 jt  
MA w BP @ 3545'

San Andres Perfs: Stage # 4  
2,000' – 2,057'  
(1 SPF, 0.42" EHD – 16 holes)

Stim Info: 5000 g 15% NEFE HCL  
& 24 bio balls

San Andres Perfs: Stage # 3  
2,186' – 2,515'  
(1 SPF, 0.42" EHD – 32  
holes)

Stim Info: 3300 g 15% NEFE HCL &  
48 bio balls; Frac w/89,500 # 16/30  
Brady & 18,000 # 16/30 Resin in 20#  
Xlinked gel

San Andres Perfs: Stage # 2  
2,560' – 2,851'  
(1 SPF, 0.42" EHD – 27 holes)

Stim Info: 3000 g 15% NEFE HCL &  
41 bio balls; Frac w/73,000 # 16/30  
Brady & 18,000 # 16/30 Resin in  
20# Xlinked gel

San Andres Perfs: Stage # 1  
2,900' – 3,201'  
(1 SPF, 0.42" EHD – 29 holes)

Stim Info: 3000 g 15% NEFE HCL & 44 bio balls; Frac  
w/73,000 # 16/30 Brady & 18,000 # 16/30 Resin in 20#  
Xlinked gel

**Glorieta & Yeso Additional Perfs:** 3284' –  
85', 3301' – 02', 37' – 38', 3482' – 83', 3496'  
– 97', 99' – 3500' & 04' – 06' (2 SPF - 18  
holes) (4/28/11)

**Stim Info:** 3500 gal 15% NEFE; Frac w/ 100k gal x-linked  
gel + 125,680# 16/30 Brady + 18,980# 16/30 CRC sand at  
80 BPM. (4/29/11)

**Yeso Perfs:** 3390', 91', 92', 95', 96', 3400',  
01', 02', 10', 3411', 12', 21', 22', 26', 29', 30',  
39', 40', 42', 43', 51', 54', 56', 58', 62' (1  
SPF - 26 holes) (6/16/06)

**Stim Info:** 3000 gal 15% NEFE; Treat w/ 20k gal  
gelled 20% HCl & 30k gal 40# linear gel + 4000 gal  
15% HCl NEFE Cool down. (6/20/06)

PBTD @ 3,557'

5-1/2", 14#, J-55; ST&C Casing @ 3,577'. Cmt w 375  
sx lead and 400 sx tail. Circulated 91 sx to surface.

TD @ 3,585' (05/03/2006)

**GEOLOGY**

Zone	Top
Yates	343'
7 Rivers	570'
Bowers Sand	913'
Queen	1,135'
San Andres	1,875'
Glorieta	3,250'
Yeso	3,361'

**SURVEYS**

Degrees	Depth
1/4°	472'
1/2°	581'
1/2°	1,497'
1/2°	1,995'
1/4°	2,524'
1/2°	3,022'
1/2°	3,585'

**Williams B Federal 3  
30-015-34723  
LRE Operating, LLC.  
September 17, 2013  
Conditions of Approval**

**Work to be completed by December 17, 2013.**

**Notify BLM at 575-361-2822 a minimum of 24 hours prior to commencing work.**

- 1. Must conduct a casing integrity test before any perforating or fracturing can be done. Submit results to BLM. The CIT is to be performed on the production casing to max treating pressure. Contact the BLM if test fails.**
- 2. No DHC shall be done without approval from both the BLM and the State.**
- 3. Operator is approved to drill out the CBPs at 2120', 2538', and 2875' and clean out the well to the CBP at 3260'. Put well on pump.**
- 4. Operator shall produce solely from the San Andres formation in order to establish a typical decline curve obtain reservoir data and submit results to the BLM for future DHC review.**

**NOTE: Sundry dated 09/09/2013 for DHC approval will be held until the above mentioned information is received and evaluated.**

- 5. Surface disturbance beyond the originally approved pad must have prior approval.**
- 6. Closed loop system required.**
- 7. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.**
- 8. Operator to have H2S monitoring equipment on location.**

9. A minimum of a 2000 (2M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
10. **Subsequent sundry required detailing work done and completion report for the new formation. Operator to include well bore schematic of current well condition when work is complete.**

**JAM 091713**