

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

OCD Artesia
SEP 17 2013FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

NMOCD ARTESIA

Lease Serial No.

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.

NMNM 048344

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

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 87401

3b. Phone No. (include area code)

505-327-4573

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

2060' FSL & 2260' FWL Unit K
Sec. 29, T17S, R28E

OGRID#: 281994

8. Well Name and No.

WILLIAMS A FEDERAL #7

9. API Well No.

30-015-36512

10. Field and Pool, or Exploratory Area

Artesia: Glorieta-Yeso (96830)

Red Lake, Queen-Grayburg-San Andres (51300) ✓

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 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 & DHC
	<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 recompleate 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 recompletion 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 recompleate this Yeso oil well to the San Andres as follows: MIRUSU. TOH w/all production equipment. Set a 5-1/2" CBP @ ~3250' & PT to ~3500 psi. Perf lower SA @ ~2850'-3071' w/~22 holes. Stimulate w/~2500 gal 15% HCL acid & frac w/~77,000# 16/30 sand in X-linked gel. Set a 5-1/2" CBP @ ~2814' & PT to ~3500 psi. Perf middle SA @ ~2560'-2781' w/~27 holes. Stimulate w/~2500 gal 15% HCL acid & frac w/~77,000# 16/30 sand in X-linked gel. Set a 5-1/2" CBP @ ~2540' & PT to ~3500 psi. Perf upper SA @ ~2233'-2521' w/~26 holes. Stimulate w/~3000 gal 15% HCL acid & frac w/~88,000# 16/30 sand in X-linked gel. Set a 5-1/2" CBP @ ~2200' & PT to ~3500 psi. Perf upper SA @ ~1886'-2111' w/~23 holes. Stimulate w/~2500 gal 15% HCL acid & frac w/~54,000# 16/30 sand in X-linked gel. CO after frac, drill CBPs & 2200', 2540', 2814', & 3250' & GO to PBTD @ ~3549'.

Land 2-7/8" tbg @ ~3535' & run pump & rods. Release workover rig & complete as a commingled San Andres-Yeso oil well. The existing Glorieta-Yeso perfs @ 3321'-3510'. This work will not commence until the DHC applications at both the NMOCD and BLM have been approved.

SEE ATTACHED FOR

SUBJECT TO LIKE

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

Name (Printed/Typed)

Mike Pippin

Title

Petroleum Engineer (Agent)

Signature

Date

August 4, 2013

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

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

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.

Accepted for record

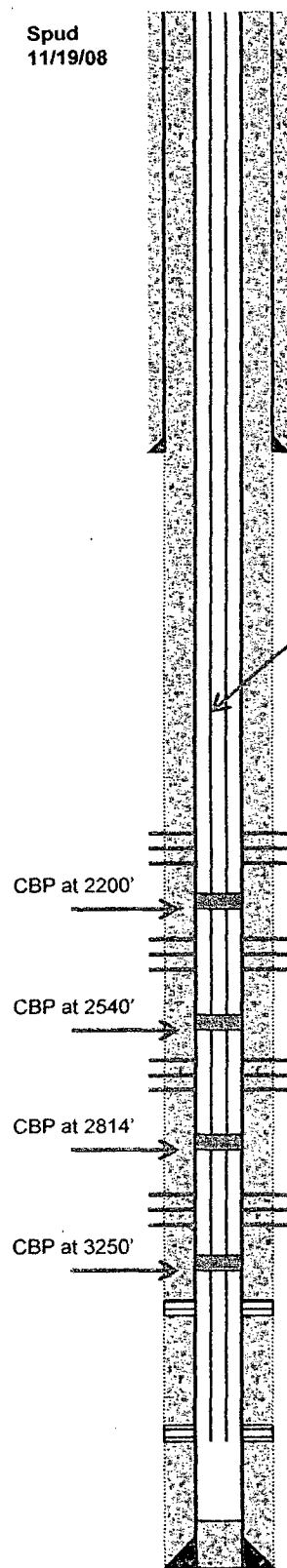
NMOCD 10/9/2013



LRE Operating, LLC
Proposed 4 Stage San Andres
Recompletion & Commingle With
Yeso
AFE # R13020

Williams A Federal #7
Sec 29-17S-28E (K)
2060' FSL, 2260' FWL
Elevation – 3,692'
API #: 30-015-36512
Eddy County, NM

Spud
11/19/08



8-5/8", 24#, J-55, ST&C Casing @ 439'. Cmt w 375
sks. Circulated 75 sx to surface.

2-7/8", 6.5#, J-55 Tubing, TAC @ 1776', SN @3500', 4' slotted sub, 1 jt
MA w BP @ 3535'

San Andres Perfs: Stage # 4
1,886' – 2,111'
(1 SPF, 0.42" EHD – 23 holes)

Stim Info: 2500 g 15% NEFE HCL & 35 bio
balls; Frac w/40,500 # 16/30 Brady &
13,500 # 16/30 Resin in 20# Xlinked gel

San Andres Perfs: Stage # 3
2,233' – 2,521'
(1 SPF, 0.42" EHD – 26 holes)

Stim Info: 3000 g 15% NEFE HCL & 39 bio
balls; Frac w/69,500 # 16/30 Brady &
18,000 # 16/30 Resin in 20# Xlinked gel

San Andres Perfs: Stage # 2
2,560' – 2,781'
(1 SPF, 0.42" EHD – 27 holes)

Stim Info: 2500 g 15% NEFE HCL & 41 bio
balls; Frac w/58,500 # 16/30 Brady & 18,000 #
16/30 Resin in 20# Xlinked gel

San Andres Perfs: Stage # 1
2,850' – 3,071'
(1 SPF, 0.42" EHD – 22 holes)

Stim Info: 2500 g 15% NEFE HCL & 33 bio balls; Frac w/58,500 #
16/30 Brady & 18,000 # 16/30 Resin in 25# Xlinked gel

Glorietta/Yeso Perfs: 3,321' to 3,435' (1 & 2 Shots
per foot, Total of 25 Holes) (4/19/12)

Stim Info: 3000 gal 7-1/2% HCL Acid & 98 bio balls;
Frac w/ 61,063 gal 25# x-linked gel + 2000#'s 100
Mesh sand in pad, 108,509#'s 16/30 Brady sand +
25,900#'s 16/30 Resin at 55 BPM. (4/20/12)

Yeso Perfs: 3,443'; 46' – 50'; 52' – 59'; 66'; 70' –
73'; 79' – 83' & 96' – 3,510' (1 SPF, 39 holes)
(12/30/08)
PBDT @ 3,549'

Stim Info: 1750 gal 15% NEFE; 15k gal 20% HCl, 20k
gal 40# linear gel, 20k gal 15 HCl. (1/6/09)

5-1/2"; 17#, K-55; ST&C Casing @ 3,590'. 350 sks
lead and 400 sks tail. Circulated 25 sx to surface.
(11/25/2008)

TD @ 3,600'

GEOLOGY

Zone	Top
Queen	1,186'
Grayburg	1,611'
San Andres	1,921'
Glorietta	3,299'
Yeso	3,412'

SURVEYS

Degrees	Depth
1/2°	450'
1/4°	942'
1/4°	1,444'
1/2°	1,949'
3/4°	2,495'
3/4°	2,954'
1°	3,563'

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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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 30-015-36512	² Pool Code 51300	³ Pool Name Red Lake, Queen-Grayburg-San Andres
⁴ Property Code 309877	⁵ Property Name WILLIAMS A FEDERAL	
⁷ OGRID No. 281994	⁸ Operator Name LRE OPERATING, LLC.	
		⁶ Well Number 7
		⁹ Elevation 3692' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	29	17-S	28-E		2060	SOUTH	2260	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.

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p><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></p> <p>Signature: <u>Mike Pippin</u> Date: <u>8/5/13</u></p> <p>Printed Name: <u>Mike Pippin</u></p>	
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><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></p> <p>Date of Survey: <u>5/17/05</u></p> <p>Signature and Seal of Professional Surveyor: <u>Dan R. Reddy</u></p> <p>Certificate Number: <u>5412</u></p>	

**Williams A Federal 7
30-015-36512
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 2200', 2540', and 2814' and clean out the well to the CBP at 3250'. 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 08/04/2013 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