Submit 1 Copy To Appropriate District Office
District I – (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II – (575) 748-1283
811 S. First St., Artesia, NM 88210
District III – (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV – (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
Revised July 18, 2013

WELL API NO.
30-015-36977

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

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.)

RECEIVED
OCT 04 2013
NMOCD ARTESIA

7. Lease Name or Unit Agreement Name
STALEY STATE

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

8. Well Number **#8**

2. Name of Operator
LRE OPERATING, LLC

9. OGRID Number 281994

3. Address of Operator
c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401

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

4. Well Location
Unit Letter J : 1980 feet from the South line and 2310 feet from the East line
Section 30 Township 17-S Range 28-E NMPM Eddy County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3601' GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☒						
CLOSED-LOOP SYSTEM	☒						
OTHER: Recomplete to 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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

LRE would like to recomplete into the San Andres & DHC with the existing Yeso as follows: MIRUSU. TOH w/rods, pump, & tbg. Set a CBP @ 3200 (above existing Yeso perfs @ 3226'-4619'). PT 5-1/2" csg & CBP to 3500 psi. Perf lower San Andres @ ~2712'-3025' w/ ~37 holes. Stimulate with ~3200 gal 15% HCL acid & frac w/ ~91,000# 16/30 sand in 25# X-linked gel.
Set a 5-1/2" CBP @ ~2660' & PT csg & CBP to ~3500 psi. Perf middle San Andres @ ~2376'-2609' w/ ~31 holes. Stimulate with ~2400 gal 15% HCL acid & frac w/ ~73,000# 16/30 sand in 20# X-linked gel.
Set a 5-1/2" CBP @ ~2340' & PT csg & CBP to ~3500; psi. Perf upper San Andres @ ~2082'-2305' w/ ~28 holes. Stimulate with ~2300 gal 15% HCL acid & frac w/ ~73,000# 16/30 sand in 20# X-linked gel.
Set a 5-1/2" CBP @ ~2040' & PT csg & CBP to ~3500; psi. Perf upper San Andres @ ~1738'-1987' w/ ~29 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/ ~54,000# 16/30 sand in 20# X-linked gel.
CO after frac & drill out CBPs @ 2040', 2340', 2660', & 3200' & CO to ~PBTD @ 4805'. Land 2-7/8" production tbg @ ~4715'. Run pump & rods & release workover rig. Complete as a commingled Yeso / San Andres oil well. *These two oil pools have a blanket DHC order (19.15.12.11E).* See the attached wellbore diagram.

Spud Date: 8/15/13 Drilling Rig Release Date: 8/21/13

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 10/3/13

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

For State Use Only

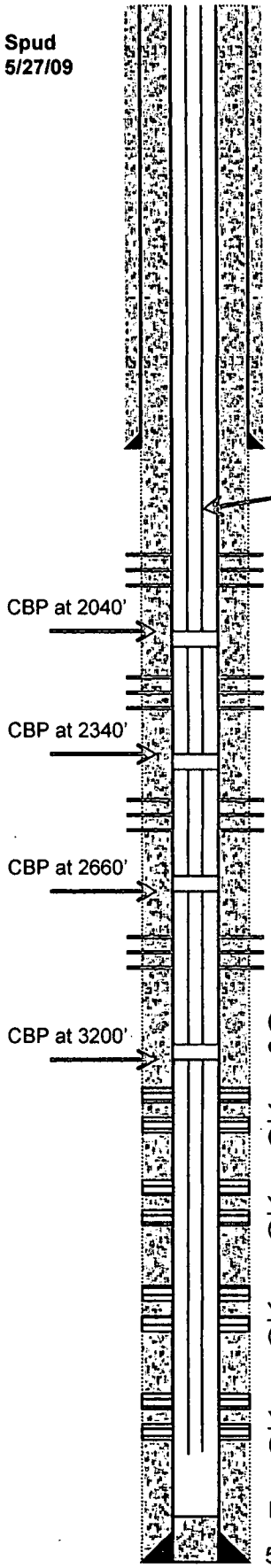
APPROVED BY: [illegible] TITLE Dist II Supervisor DATE 10/9/13

Conditions of Approval (if any):

LIME ROCK RESOURCES

LRE Operating, LLC
Proposed 4 Stage San Andres Recompletion & Commingle With Yeso
AFE # R13027

Staley State #8
Sec 30-17S-28E (J)
1980' FSL, 2310' FEL
Elevation – 3,601'
API #: 30-015-36977
Eddy County, NM



GEOLOGY	
Zone	**Top**
Queen	1,061'
Grayburg	1,482'
San Andres	1,791'
Glorieta	3,179'
Yeso	3,325'
Tubb	4,672'

8-5/8", 23#, J-55, ST&C Casing @ 445'.
175 sx lead & 200 sx tail. Circulated 165 sx to Surface.

2-7/8"; 6.5#, J-55 Tubing, TAC @ 1638', SN @4650', 4' slotted sub, 2 jt MA w BP @ 4715'

San Andres Perfs: Stage # 4
1,738' – 1,987'
(1 SPF, 0.42" EHD – 29 holes
Stim Info: 1500 g 15% NEFE HCL & 44 bio balls; Frac w/40,500 # 16/30 Brady & 13,500 # 16/30 Resin in 20# Xlinked gel

San Andres Perfs: Stage # 3
2,082' – 2,305'
(1 SPF, 0.42" EHD – 28 holes
Stim Info: 2300 g 15% NEFE HCL & 42 bio balls; Frac w/55,000 # 16/30 Brady & 18,000 # 16/30 Resin in 20# Xlinked gel

San Andres Perfs: Stage # 2
2,376 – 2,609'
(1 SPF, 0.42" EHD – 31 holes)
Stim Info: 2400 g 15% NEFE HCL & 47 bio balls; Frac w/55,000 # 16/30 Brady & 18,000 # 16/30 Resin in 20# Xlinked gel

San Andres Perfs: Stage # 1
2,712 – 3,025'
(1 SPF, 0.42" EHD – 37 holes)
Stim Info: 3200 g 15% NEFE HCL & 56 bio balls; Frac w/73,000 # 16/30 Brady & 18,000 # 16/30 Resin in 25# Xlinked gel

(2/16/10 – 2/18/10) Three Lower Yeso Intervals each treated with calcium sulfate converter, 1000 g 15% HCL, and 22 bbl scale inhibitor

SURVEYS	
Degrees	**Depth**
3/4°	445'
1/2°	938'
3/4°	1,505'
1-1/4°	2,011'
1-1/2°	2,548'
1-1/2°	2,994'
1-1/4°	3,498'
1-3/4°	4,003'
1-3/4°	4,446'
1°	4,825'

Yeso Perfs: 3,226' – 3,516' (1 SPF - 69 holes) (2/21/10)
Stim Info: 4500 gal 15% NEFE; Frac w/ 135,430 # 16/30 Ottawa & 50,145 # 12/20 in x-linked gel. (2/24/10)

Yeso Perfs: 3,610' – 3,887' (1 SPF - 66 holes) (6/30/09)
Stim Info: 6536 gal 15% NEFE; Frac w/ 95,828 # 16/30 Ottawa & 10,698 # CRC in x-linked gel. (6/30/09)

Yeso Perfs: 3,962' – 4,125'(1 SPF - 53 holes) (6/30/09
Stim Info: 4261 gal 15% NEFE; Frac w/ 58,229 # 16/30 Ottawa & 15,526 # CRC in x-linked gel. (6/30/09)

Yeso Perfs: 4,217' – 4,619' (1 SPF - 69 holes) (6/29/09)
Stim Info: 5342 gal 15% NEFE; Frac w/ 154,150 # 16/30 Ottawa & 31,678 # CRC in x-linked gel. (6/30/09)

PBTD @ 4,805'

5-1/2"; 17#; J-55; ST&C Casing @ 4,843'.
400 sx lead & 550 sx tail. Circulated 122 sx to Surface. (06/07/2009)