

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

RECEIVED
OCT 28 2013
NMOC D ARTESIA

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

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)

2310' FSL & 790' FWL Unit L

Sec. 29, T17S, R28E

5. Lease Serial No.

NM-048344

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

WILLIAMS A FEDERAL #6

3

30-015-34200

10. Field and Pool, or Exploratory Area

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

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 recomplete 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 recomplete this Yeso oil well into the San Andres & DHC as follows: MIRUSU. TOH w/rods, pump, & tbg. Set a 5-1/2" CBP @ ~3190' & PT to 3500 psi. Perf Lower SA @ ~2824'-3135 w/~32 holes. Treat new perfs w/~3200 gal 15% HCL & frac w/~91,000# 16/30 sand in 25# X-linked gel. Set a 5-1/2" CBP @ ~2790' & PT to 3500 psi. Perf middle SA @ ~2430'-2745 w/~25 holes. Treat new perfs w/~3200 gal 15% HCL & frac w/~91,000# 16/30 sand in 20# X-linked gel. Set a 5-1/2" CBP @ ~2415' & PT to 3500 psi. Perf Upper SA @ ~2142'-2401 w/~38 holes. Treat new perfs w/~2600 gal 15% HCL & frac w/~77,000# 16/30 sand in 20# X-linked gel. Set a 5-1/2" CBP @ ~2070' & PT to 3500 psi. Perf Upper SA @ ~1780'-2021 w/~33 holes. Treat new perfs w/~1500 gal 15% HCL & frac w/~54,000# 16/30 sand in 20# X-linked gel. CO after stimulations, drill CBPs @ 2070', 2415', & 2790' & CO to CBP @ ~3190'. Land 2-7/8" tbg @ ~3175', run pump & rods, & pump test San Andres. Release rig & complete as a single San Andres oil well. The existing Glorieta-Yeso perfs are 51 holes @ 3215'-3484'. Following the approval of both State & BLM DHC applications, we plan to drill out the CBP @ 3190' & re-land 2-7/8" tbg @ 3485'.

We plan to utilize a closed loop system.

SUBJECT TO LIKE
APPROVAL BY STATE

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Name (Printed/Typed)

Mike Pippin

Title

NMOC D

Petroleum Engineer (Agent)

Signature

Date

September 19, 2013

THIS SPACE FOR FEDERAL OR STATE USE

Approved by

Title

Date

OCT 23 2013

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

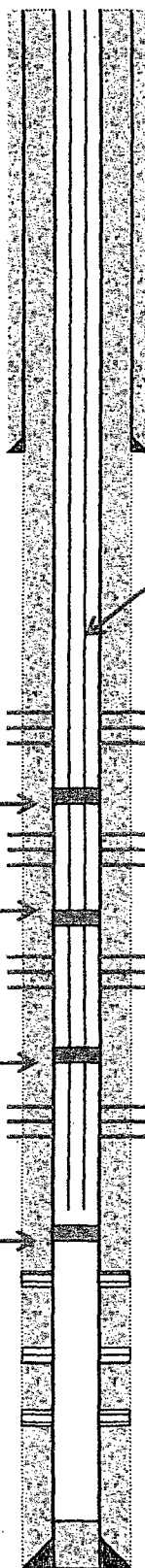
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



LRE Operating, LLC
Proposed 4 Stage San Andres
Recompletion & Commingle
With Yeso
AFE # R13024

Williams A Federal #6
Sec 29-17S-28E (L)
2310' FSL, 790' FWL
Elevation – 3,637' KB
API #: 30-015-34200
Eddy County, NM

Spud
11/3/05



8-5/8", 24#, J-55, ST&C Casing @ 478'. Circulated
55 sx to surface. (425 sx CI H)

2-7/8", 6.5#, J-55 Tubing, TAC @ 1680', SN @ 3140', 4' slotted sub, 1 jt
MA w BP @ 3175'

When Commingled: TAC @ 1680', SN @ 3450', 4' slotted sub, 1 jt MA
w BP @ 3485'

San Andres Perfs: Stage # 4
1,780' – 2,021'
(1 SPF, 0.42" EHD – 33 holes)

Stim Info: 1500 g 15% NEFE HCL & 50
bio balls; Frac w/40,500 # 16/30 Brady &
13,500 # 16/30 Resin in 20# Xlinked gel

San Andres Perfs: Stage # 3
2,142' – 2,401'
(1 SPF, 0.42" EHD – 25 holes)

Stim Info: 2600 g 15% NEFE HCL & 38 bio
balls; Frac w/58,500 # 16/30 Brady &
18,000 # 16/30 Resin in 20# Xlinked gel

San Andres Perfs: Stage # 2
2,430' – 2,745'
(1 SPF, 0.42" EHD – 25 holes)

Stim Info: 3200 g 15% NEFE HCL & 38
bio balls; Frac w/73,000 # 16/30 Brady &
18,000 # 16/30 Resin in 20# Xlinked gel

San Andres Perfs: Stage # 1
2,824' – 3,135'
(1 SPF, 0.42" EHD – 32 holes)

Stim Info: 3200 g 15% NEFE HCL & 48 bio balls; Frac w/73,000 #
16/30 Brady & 18,000 # 16/30 Resin in 25# Xlinked gel

Additional Glorieta, Upper and Lower Yeso:

3,215'-16', 3,229'-30', 3,252'-53', 3,272'-73', 3,303'-04', 3,319'-20', 3,431'-32', 3,445'-46', 3,464'-66',
3,482'-84' all 2 SPF – 24 Holes, 3-1/8" guns, 0.4" EHD and 30" Penetration (7/21/11)

Re-Frac Stim Info:

5838 gals 15% HCL w/ Ball Sealers at 20 BPM. 75,600 gals 20# borate x-linked gel with 126,240# 16/30
Ottawa sand and 21,000# 16/30 Resin Coated Sand pumped at 65 BPM with sand ramped from 1# ppa
to 5# ppa. (7/22/11)

Lower Yeso Perfs:

3,331' – 3,419' (1 SPF, 27 holes) (12/7/05)

Stim Info: 3000 gal 15% NEFE; 20k gal gelled 20% HCl,
30k gal 40# gel (12/7/05)

PBTD @ 3,510'

5-1/2"; 15.5-17#; K-55; ST&C Casing @ 3,548'.
Cmt'd w/ 500 sx 50/50 H Poz lead & 350 sx CI C tail.
Circulated 103 sx to surface. (11/10/2005)

TD @ 3,562'

GEOLOGY

| Zone | Top |
|------------|--------|
| Yates | 580' |
| 7 Rivers | 900' |
| Queen | 1,050' |
| Grayburg | 1,520' |
| San Andres | 1,831' |
| Glorietta | 3,196' |
| Yeso | 3,287' |

SURVEYS

| Degrees | Depth |
|---------|--------|
| 3/4° | 485' |
| 1/2° | 510' |
| 1/2° | 1,000' |
| 1/2° | 1,500' |
| 3/4° | 2,004' |
| 3/4° | 2,532' |
| 1/2° | 3,026' |
| 1/2° | 3,557' |

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 30-015-34200 | 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 6 |
| | | ⁹ Elevation 3630' 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| L | 29 | 17-S | 28-E | | 2310 | SOUTH | 790 | 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. |
|-------------------------------------|-------------------------------|----------------------------------|-------------------------|

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.

| | | |
|--|--|--------------------------------|
| | ¹⁷ OPERATOR CERTIFICATION 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. | |
| | Signature <u>Mike Pippin</u> Date <u>9/19/13</u> Printed Name <u>Mike Pippin</u> | |
| | ¹⁸ SURVEYOR CERTIFICATION 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. | |
| Date of Survey <u>5/17/05</u> Signature and Seal of Professional Surveyor: <u>Dan R. Reddy</u> | | Certificate Number <u>5412</u> |

**Williams A Federal 6
30-015-34200
LRE Operating, LLC.
October 23, 2013
Conditions of Approval**

Work to be completed by January 23, 2014.

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 2070', 2415', and 2790' and clean out the well to the deepest CBP at 3190'. 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: A new sundry for a DHC will be needed.

- 5. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.**
- 6. Surface disturbance beyond the originally approved pad must have prior approval.**
- 7. Closed loop system required.**
- 8. 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.**
- 9. Operator to have H2S monitoring equipment on location.**

10. 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.
11. **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 102313