

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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

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 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

OGRID#: 281994

Sec. 29, T17S, R28E

5. Lease Serial No.

NMNM 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 #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 type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other 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 recomple 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 requests administrative approval to downhole commingle the existing Artesia, Glorieta-Yeso (96830) and the proposed Red Lake, Queen-Grayburg-San Andres (51300). Both intervals have common ownership (Category 1), we have not experienced any significant cross flows, & all the fluids are compatible. Downhole commingling will maximize the ultimate recovery of oil & gas, eliminate redundant surface equipment, & maximize productivity. Notice has been filed concurrently on form C-107A with the State. LRE is requesting approval to commingle the two pools upon completion of rig operations, which will reduce the environmental impact. The production allocation will be calculated by subtracting the current (Yeso) production of 2 BOPD and 12 MCF/D from the total well production after about two months of commingled production. We plan to submit these calculations and the resulting allocation to your office after the well has been on line for about 2 months.

Accepted for record
NMOCD 105 12-9-2014

RECEIVED

JAN 29 2014

NMOCD ARTESIA

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

Name (Printed/Typed)

Mike Pippin

Title

Petroleum Engineer (Agent)

Signature

Date

August 5, 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 statements or fraudulent statements or representations as to any matter within its jurisdiction.

**SUBJECT TO LIKE
APPROVAL BY STATE**

APPROVED

JAN 27 2014

**BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE**

District I
1623 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Grande Road, Aztec, NM 87416

District IV
1225 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-107A
Revised June 10, 2003

APPLICATION TYPE

☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator **LRE OPERATING, LLC** c/o Mike Pippin LLC (agent), 3104 N. Sullivan, Farmington, NM 87401
Address

Lease **WILLIAMS A FEDERAL #7** Well No. **K SEC 29 T17S R28E** Eddy County
Unit Letter-Section-Township-Range

OGRID No. **281994** Property Code **309877** API No. **30-015-36512** Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	RED LAKE; -Queen- Grayburg-San Andres		ARTESIA; Glorieta-Yeso
Pool Code	51300		96830
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	~1886'-3071'		3321'-3510'
Method of Production (Flowing or Artificial Lift)	Plan to Pump		Pumping
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	690 psi		851 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	34.8		38.32
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: RATES:	Date: Rates:	Date: 7/21/13 Rates: 2 BOPD 12 MCF/D
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas %	Oil Gas %	Oil Gas

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐
Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other?

Yes ☒ No ☐

Will commingling decrease the value of production?

Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands
or the United States Bureau of Land Management been notified in writing of this application?

Yes ☒ No ☐

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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 August 5, 2013

TYPE OR PRINT NAME Mike Pippin TELEPHONE NO. (505) 327-4573

E-MAIL ADDRESS mike@pippinllc.com

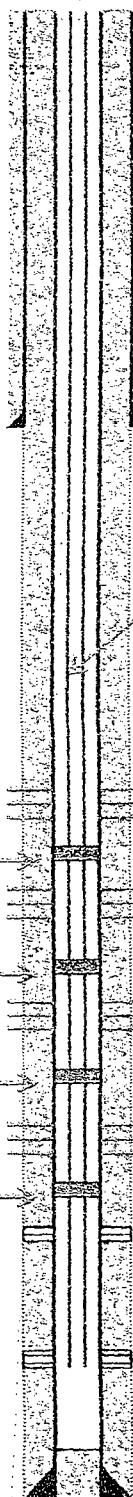


**LIME ROCK
RESOURCES**

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 @ 3635'

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'

CBP at 2200'

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

CBP at 2540'

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

CBP at 2814'

San Andres Perfs: Stage # 2
2,560' - 2,761'
(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

CBP at 3250'

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

**Glorieta/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)
PSTD @ 3,549'**

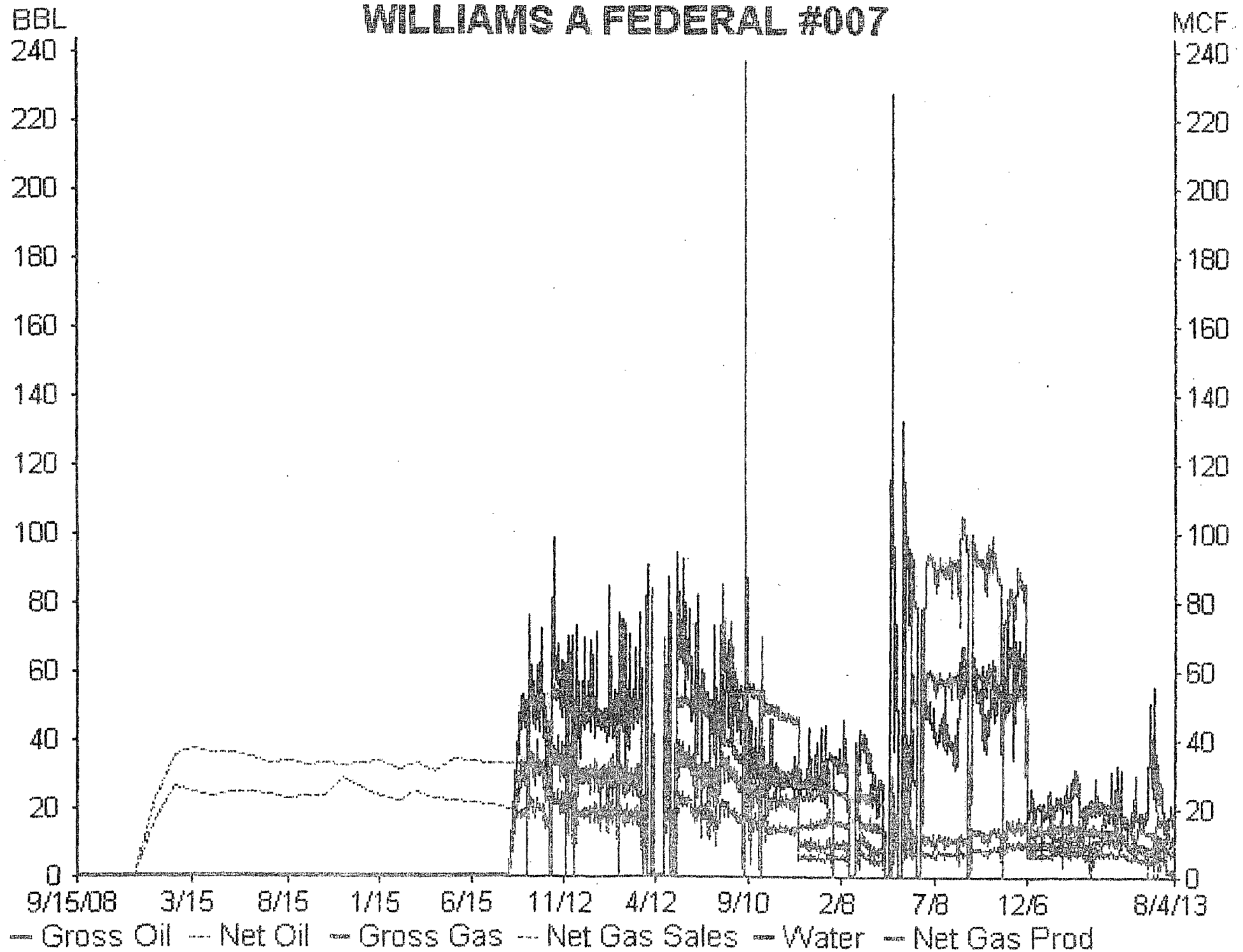
**Stim Info: 1750 gal 15% NEFE; 15k gal 20% HCL, 20k
gal 40# linear gel, 20k gal 15 HCL. (1/6/09)**

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

TD @ 3,600'

(11/25/2008)

WILLIAMS A FEDERAL #007



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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OMB No. 1004-0135
Expires July 31, 1996

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Sec. 29, T17S, R28E

OGRID#: 281994

5. Lease Serial No.

NMNM 048344

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

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 (56830)

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

AND

Eddy County, New Mexico

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<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"/> Water Disposal
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back

13. Describes 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 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' & CO to PBTD @ ~3545'.

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 perms @ 3321'-3510'. This work will not commence until the DHC applications at both the NMCCD and BLM have been approved.

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

Name (Printed/Typed)

Mike Pippin

Title

Petroleum Engineer (Agent)

Signature

Mike Pippin

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.

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1080 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			⁶ Well Number 7
⁷ OGRID No. 281994		⁸ Operator Name LRE OPERATING, LLC.			⁹ Elevation 3692' GL

¹⁰ Surface Location

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

					<p>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 released mineral interest in the land including the proposed bottom hole location or has a right to drill this well on this location pursuant to a contract with an owner of such a mineral or working interest, or is a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <u>Mike Pippin</u> Date: <u>8/5/13</u></p> <p>Mike Pippin Printed Name</p>	
					<p>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.</p> <p>5/17/05 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: Dan R. Reddy</p> <p>5412 Certificate Number</p>	

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1801 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 - 8 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	3. Pool Name
	96830	Artesia; Gk-VE
4. Property Code	5. Property Name	6. Well Number
305454	WILLIAMS A FEDERAL	7
7. OGRID No.	8. Operator Name	9. Elevation
255333	LIME ROCK RESOURCES A. L.P.	3692

10 Surface Location

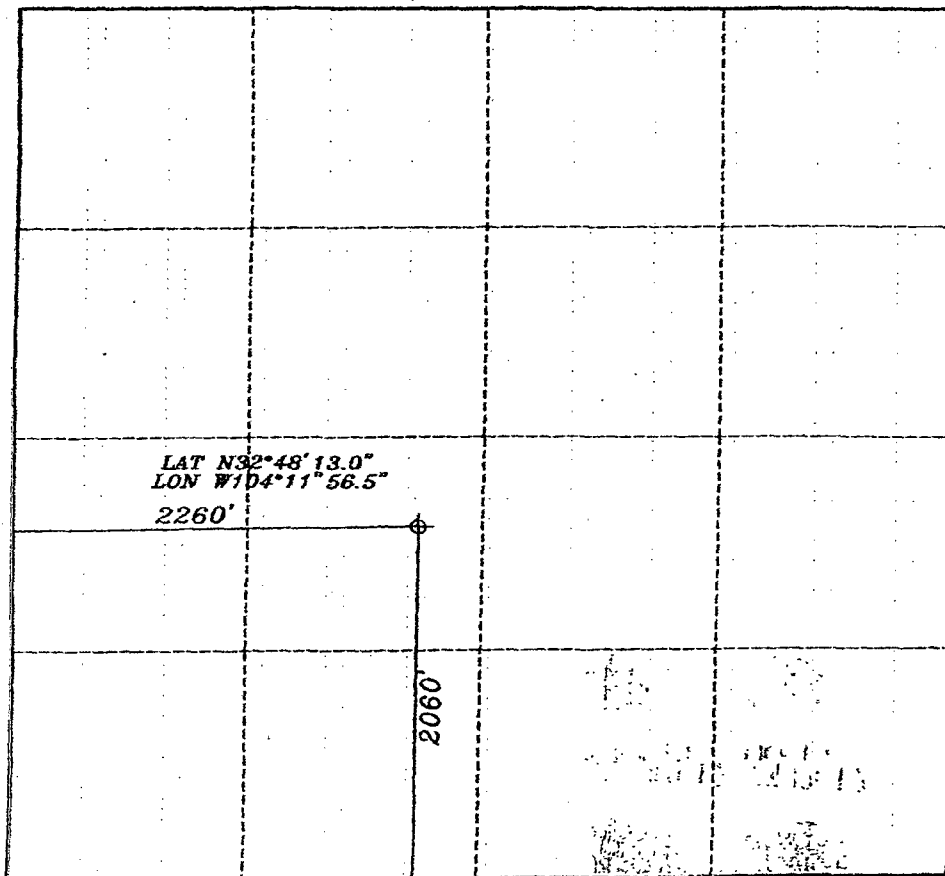
11. U/L or Lot no.	12. Section	13. Township	14. Range	15. Lot 16m	16. Feet from the	17. North/South line	18. Feet from the	19. East/West line	20. County
K	29	17-S	28-E		2060	SOUTH	2260	WEST	EDDY

11 Bottom Hole Location If Different From Surface

21. U/L or Lot no.	22. Section	23. Township	24. Range	25. Lot 16m	26. Feet from the	27. North/South line	28. Feet from the	29. East/West line	30. County

31. Redesignated Address	32. Joint or Infill	33. Consolidation Code	34. Order No.
740			

No allowance will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the Division.



17 OPERATORS 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 a mineral interest in the land underlying the proposed bottom hole location, or has a right to drill this well at the location pursuant to a contract with an owner of such interest or working interest, or is voluntarily getting approval or a compulsory pooling order hereupon entered by the Division.	
Signature	Date
C. Tim Miller	6/16/08
Printed Name	
C. Tim Miller, VP-Operations	
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.	
MAY 17, 2005	
Date of Survey	
Signature and Seal of Professional Surveyor	
Certificate Number	
DAN R. REDDY NM PE&PS 5412	