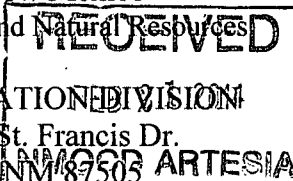


District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

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



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.)		WELL API NO. 30-015-36253
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator LRE OPERATING, LLC		6. State Oil & Gas Lease No.
3. Address of Operator c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401		7. Lease Name or Unit Agreement Name STALEY STATE
4. Well Location Unit Letter <u>I</u> : <u>1750</u> feet from the <u>South</u> line and <u>990</u> feet from the <u>East</u> line Section <u>30</u> Township <u>17-S</u> Range <u>28-E</u> NMPM <u>Eddy</u> County		8. Well Number #7
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3604' GL		9. OGRID Number 281994
		10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836) Red Lake, Queen-Grayburg-San Andres Ext. (51300)

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
 DOWNHOLE COMMINGLE ☐
 CLOSED-LOOP SYSTEM ☒
 OTHER: Recomplete to San Andres & DHC ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐
 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 Operating, LLC would like to recomplete this Yeso oil well to the San Andres & DHC as follows: MIRUSU. TOH w/rods, pump, & tbg. Set a 5-1/2" CBP @ ~3200' & PT to ~3500 psi. (Existing Yeso perms are @ 3310'-4667'). Perf lower San Andres @ ~2800'-3131' w/~32 holes. Stimulate with ~3400 gal 15% HCL acid & frac w/~118,000# 16/30 sand in 25# X-linked gel.

Set a 5-1/2" CBP @ ~2775' & PT to ~3500 psi. Perf middle San Andres @ ~2450'-2751' w/~26 holes. Stimulate with ~3100 gal 15% HCL acid & frac w/~91,000# 16/30 sand in 20# X-linked gel.

Set a 5-1/2" CBP @ ~2430' & PT to ~3500 psi. Perf upper San Andres @ ~2122'-2417' w/~30 holes. Stimulate with ~3000 gal 15% HCL acid & frac w/~91,000# 16/30 sand in 20# X-linked gel.

Set a 5-1/2" CBP @ ~2050' & PT to ~3500 psi. Perf upper San Andres @ ~1750'-1981' w/~25 holes. Stimulate with ~2000 gal 15% HCL acid & frac w/~54,000# 16/30 sand in 20# X-linked gel.

CO after frac & drill out CBPs @ 2050', 2430', 2775', 3200' & CO to ~PBTD4684'. Run 3240' 2-7/8" 6.5#J-55 production tbg w/crossover @ 3240' to 2-3/8" 4.7# J-55 w/turned down collars landed @ ~4565'. Run pump & rods & release workover rig. Complete as a commingled Yeso/San Andres oil well. See the attached proposed wellbore diagram. **These two oil pools have a blanket DHC order (19.15.12.11E).** NOTE: 4" 10.8# L-80 LINER @ 3284'-4726'.

Spud Date: 6/9/08

Drilling Rig Release Date: 6/19/08

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 2/20/14

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

For State Use Only

APPROVED BY: [Signature] TITLE Asst. J. S. [Signature] DATE 3/6/14

Conditions of Approval (if any):