

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

WELL API NO. 30-015-41371
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name ARCO STATE
8. Well Number #3
9. OGRID Number 281994
10. Pool name or Wildcat Empire, Glorieta-Yeso (96210)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3702' GL

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.)

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

2. Name of Operator
LRE OPERATING, LLC

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

4. Well Location

Unit Letter L : 2310 feet from the South line and 330 feet from the West line
Section 24 Township 17-S Range 28-E NMPM Eddy County

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: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☒
OTHER: Spud & Casings ☒

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.

Spud well on 5/6/14. Drilled 11" hole to 500. Landed 8-5/8" 24# J-55 csg @ 499'. Cmted w/400 sx (538 cf) "C" cmt w/2% Cacl2, 0.005# static free, & 1/4#/sx cello-flake. Lost Circ. Temp Survey showed TOC @ 174'. Ran 1" tbg into annulus & tagged @ 138'. Pumped 25 sx cmt. WOC. Tagged @ 131'. Pumped 25 sx cmt. WOC. Pumped 25 sx cmt. WOC. Tagged @ 54'. Pumped 50 sx cmt & circ 30 sx to surface. On 5/8/14, PT 8-5/8" csg to 600 psi for 30 min – OK.

Drilled 7-7/8" hole to TD5720' on 5/12/14. Landed 5-1/2" 17# J-55 csg @ 5704'. Cmted lead w/350 sx (469 cf) 35/65 poz C cmt w/2% Cacl2 & 0.125#/sx p-e-flake. Tailed w/725 sx (964 cf) "C" cmt w/0.3% PF-13, 0.2% PF-167, 0.2% PF-65, 0.125# PF-29, & 0.4# PF-46. Circ 6 sx cmt to pit. Ran cased hole logs. Released drilling rig on 5/13/14. Plan to pressure test the 5-1/2" csg before completion operations.

Spud Date: 5/6/14

Drilling Rig Release Date: 5/13/14

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 5/14/14
Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573
For State Use Only

APPROVED BY: [Signature] TITLE District Supervisor DATE 5/22/14
Conditions of Approval (if any):

