

ARTESIA DISTRICT CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505 OCT 17 2014 RECEIVED		WELL API NO. 30-015-38234
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.)		5. Indicate Type of Lease STATE ☒ FEE ☐
1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐		6. State Oil & Gas Lease No.
2. Name of Operator LRE OPERATING, LLC		7. Lease Name or Unit Agreement Name ANTHONEY
3. Address of Operator c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401		8. Well Number #2
4. Well Location Unit Letter <u>P</u> : <u>430</u> feet from the <u>South</u> line and <u>800</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		9. OGRID Number <u>281994</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3644' GL		10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836) Red Lake, Queen-Grayburg-San Andres (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: ☐

SUBSEQUENT REPORT OF:

- REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐
 OTHER: Payadd Workover in San Andres ☒

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.

On 10/3/14, MIRUSU. TOH w/production equipment. Set 5-1/2" CBP @ 2450' & PT csg & CBP to 4000 psi-OK. (Existing SA perfs are 2550'-3200' & Yeso perfs are 3235'-4719'). Perfed upper SA @ 2158', 63', 68', 73', 78', 83', 88', 93', 98', 2203', 08', 13', 18', 23', 28', 33', 38', 43', 48', 53', 58', 63', 68', 73', 78', 83', 88', 93', 2303', 08', 12' w/1-0.41" spf. Total 31 holes. On 10/10/14, treated new perfs w/1500 gal 15% HCL acid & 48 perf balls. Fraced w/44,163# 16/30 Brady & 19,695# 16/30 super LC sand in 20# X-linked gel. Set 5-1/2" CBP @ 2020'. PT csg & CBP to 4000 psi-OK. Perfed upper SA @ 1770', 72', 74', 76', 78', 80', 82', 84', 86', 88', 90', 92', 94', 96', 98', 1800', 02', 04', 06', 08', 10', 12', 14', 16', 18', 20' w/1-0.41" spf. Total 26 holes. Treated perfs w/1500 gal 15% HCL acid & 39 perf balls. Fraced w/36,325 brady, & 14,125# super LC 16/30 sand in 20# X-linked gel. On 10/11/14, MIRUSU. Drilled CBPs @ 2020, 2450' & 3220' & CO to PBTD4762'. On 10/14/14, landed 2-7/8" 6.5# J-55 tbg @ 4687'. Ran pump & rods. Released workover rig on 10/15/14. Completed well DHC as per order ART-2609-R. Following 1st delivery & a production test, the pool allocations will be calculated.

Spud Date: 2/1/11Drilling Rig Release Date: 2/17/11

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 10/16/14Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

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APPROVED BY: [Signature] TITLE JS-HS Supervisor DATE 10/24/14

Conditions of Approval (if any):