

Office:
 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

NM OIL CONSERVATION

NOV 19 2014

CONSERVATION DIVISION

1220 South St. Francis Dr.
 Santa Fe, NM 87505

RECEIVED

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: 2nd Payadd Workover ☒

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 would like to perform a 2nd payadd workover in the Yeso as follows: MIRUSU. TOH w/ESP & 2-7/8" tbg. Set 5-1/2" CBP @ ~5000' & PT CBP & 5-1/2" csg to ~3500 psi. Perf Yeso @ ~4673' -4915' w/~29 holes. Treat w/~1500 gal 15% HCL acid & frac Yeso w/~30,000# 100 mesh & ~238,140# 40/70 Ottawa sand in slick water.

Set 5-1/2" CBP @ ~4600' & PT CBP & 5-1/2" csg to ~3500 psi. Perf Yeso @ ~4255' -4534' w/~31 holes. Treat w/~1500 gal 15% HCL acid & frac Yeso w/~30,000# 100 mesh & ~190,512# 40/70 Ottawa sand in slick water.

Set 5-1/2" CBP @ ~4200' & PT CBP & 5-1/2" csg to ~3500 psi. Perf Yeso @ ~3840' -4147' w/~30 holes. Treat w/~1500 gal 15% HCL acid & frac Yeso w/~30,000# 100 mesh & ~190,512# 40/70 Ottawa sand in slick water.

CO after frac, drill CBPs @ 4200', 4600', & 5000', & CO to RBP @ 5384'. Land ESP on 2-7/8" 6.5# J-55 tbg @ ~5400'. Release workover rig. After obtaining a test of the Yeso, we plan to retrieve the RBP @ 5384' to open all the Yeso perms to production. See the attached WBD.

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 11/18/14
 Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only

APPROVED BY: R. Dade TITLE DIST # Supervisor DATE 11/21/2014
 Conditions of Approval (if any):

	County	EDDY	Well Name	Arco State #3	Field	Redlake Glorieta-Yeso NE	Well Sketch:	AFE W14045 LRE - Yeso Completion
	Surface Lat:	32.8210826°N	BH Lat:	32.8210826°N	Survey:	S24-T17S-R28E Unit L	API #	30-015-41371
	Surface Long:	104.1378594°W	BH Long:	104.1378594°W		2310' FSL & 330' FWL	OGRID #	281994

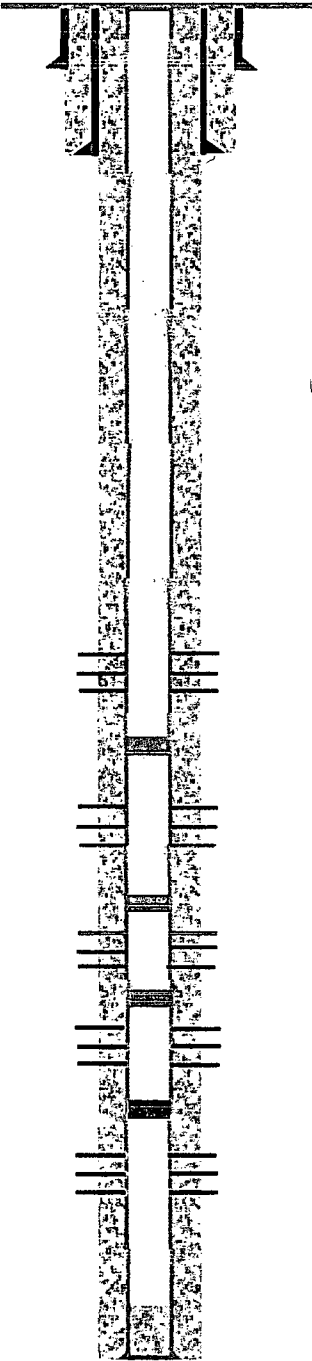
Directional Data:	
KOP	Vertical Well
Max Dev.:	
Dleg sev.:	
Dev @ Perfs	
Ret to Vert:	

Tubular Data							
Tubulars	Size	Weight	Grade	Thread	TVD	MD	TOC
Conductor	14"	65.7	B	Weld	40'	40'	SURF
Surface	8 5/8"	24#	J-55	STC	499'	499'	SURF
Intermediate							
Production	5 1/2"	17#	L-80	LTC	5,716'	5,716'	SURF
Liner							

CEMENT DATA							
	L/sks	Yld	Wt	T/sks	Yld	Wt	XS
Surface	400	1.35	14.8				30 sx
Intermediate							
Liner							
Production	350	1.9	12.8	725	1.33	14.8	6 SX

Wellhead Data	
Type:	
WP:	
Tree Cap	Flange:
	Thread:
Tbg Hanger:	
8TM Flange:	
BPV Profile:	NA
Elevations:	GL - RKB = 11.8'
RKB:	3714.1'
GL:	3,702.3'

Drilling / Completion Fluid	
Drilling Fluid:	10.2 PPG Brine / Salt Gel
Drilling Fluid:	
Completion Fluid:	2% KCL
Completion Fluid:	
Packer Fluid:	NA

<div>Wellbore Sketch</div> 	Completion Information																																																																																																																															
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