

FEB 10 2015

Submit 1 Copy To Appropriate District 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

State of New Mexico
 Energy, Minerals and Natural Resources
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

RECEIVED

Form C-103
 Revised July 18, 2013

WELL API NO. 30-015-37044
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 STALEY STATE
8. Well Number #5
9. OGRID Number 281994
10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836) Red Lake, San Andres (97253)

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
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 <u>H</u> : <u>1650</u> feet from the <u>North</u> line and <u>330</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	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3595' GL	

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 the 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 @ ~3190' & PT to ~3500 psi. (Existing Yeso perfs are @ 3668'-4595'). Perf lower San Andres @ ~2747'-3141' w/~38 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~322,140# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2704' & PT to ~3500 psi. Perf San Andres @ ~2365'-2665' w/~31 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~257,040# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2310' & PT to ~3500 psi. Perf upper San Andres @ ~1762'-2257' w/~30 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~158,340# 40/70 Ottawa sand in slick water.

CO after frac & drill out CBPs @ 2310' & 2704', & CO to CBP @ 3190'. Run ESP on 2-7/8" 6.5#J-55 production tbg & land @ ~1690'. Release workover rig. Complete as a single San Andres oil well. See the attached proposed wellbore diagram. Following a test of the San Andres alone & the approval of our DHC application in Santa Fe, the CBP @ 3190' will be removed & the well DHC.

Spud Date: 10/27/09

Drilling Rig Release Date: 11/9/09

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 1/22/15Type 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. ENGINEER DATE 2/10/2015

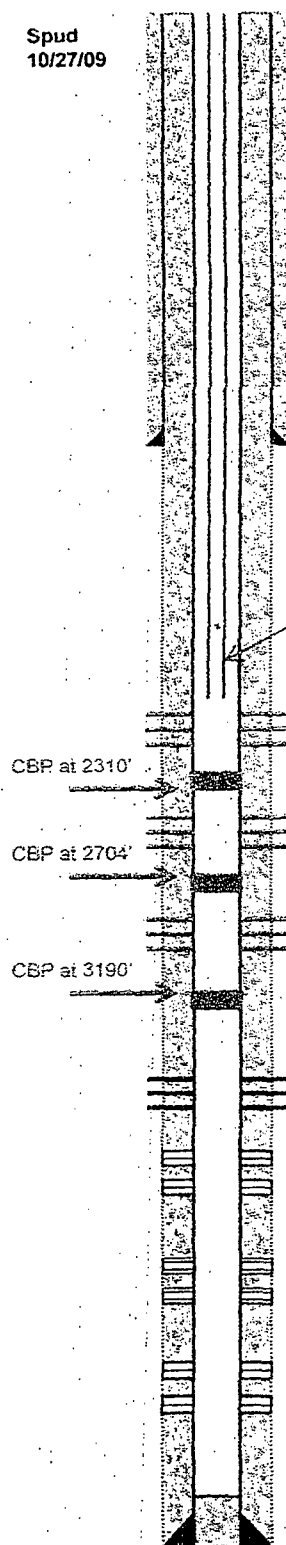
Conditions of Approval (if any):



LRE Operating LLC,
Staley State A #5
San Andres Recompletion
AFE # R15003

Staley State A #5
Sec 30-17S-28E (NE of H)
1650' FNL, 330' FEL
Elevation - 3,601'
API #: 30-015-37044
Eddy County, NM

Spud
10/27/09



8-5/8", 23#, J-55, ST&C Casing @ 434'.
Cement with 375 sx. Circulated 133 sx to
Surface.

2-7/8"; 6.5#, J-55 Tubing with ESP and pump intake at 1662'

CBP at 2310'

CBP at 2704'

CBP at 3190'

San Andres Perfs: 1762'-2257' Stim Info: 1500 g 15% HCL, 6,700 bbls water,
30 holes 30,000 #'s 100 Mesh, 158,340 #'s 40/70
Ottawa, 80+ BPM

San Andres Perfs: 2365'-2665' Stim Info: 1500 g 15% HCL, 8,100 bbls water,
31 holes 30,000 #'s 100 Mesh, 257,040 #'s 40/70
Ottawa, 80+ BPM

San Andres Perfs: 2747'-3141' Stim Info: 1500 g 15% HCL, 8,900 bbls water,
38 holes 30,000 #'s 100 Mesh, 322,140 #'s 40/70
Ottawa, 80+ BPM

Stage # 1 GL/Yeso Perfs: 3215'-3541', 1 sp5f, 66 holes (10/14/13)

Stim Info: 4,000 g 15% HCL acid and 100 bio balls, 70,000 g X-link
25# gel, 100,000 lbs 16/30 Brady, 22,500 lbs 16/30 resin
coated sand, staged 1-4.5 ppg, at 65 BPM

Yeso Perfs: 3,668' - 3,943' (1 SPF - 66 holes)
(2/14/10)

Stim Info: 4422 gal 15% NEFE; Frac w/ 100,287 #
16/30 Ottawa & 37,054 # SiberProp in 20# x-linked
gel. (2/14/10)

Yeso Perfs: 3,982' - 4,218' (1 SPF - 71 holes)
(2/14/10)

Stim Info: 3500 gal 15% NEFE; Frac w/ 79,793 #
16/30 Ottawa & 53,793 # SiberProp in 20# x-linked
gel. (2/14/10)

Yeso Perfs: 4,305' - 4,595' (1 SPF - 59 holes)
(11/19/09)

Stim Info: 5000 gal 15% NEFE; Frac w/ 116,196 #
16/30 Ottawa & 24,092 # SiberProp in 20# x-linked
gel. (11/20/09)

PBTD @ 4,729'

5-1/2"; 17#, J-55; ST&C Casing @ 4,771'.
Cement with 500 sx lead and 550 sx tail.

TD @ 4,790' Circulated 142 sx to Surface. (11/09/2009)

GEOLOGY

Zone	Top
Queen	1,064'
Grayburg	1,501'
San Andres	1,813'
Glorieta	3,180'
Yeso	3,301'
Tubb	4,720'

SURVEYS

Degrees	Depth
1°	445'
1/4°	935'
1/2°	1,513'
3/4°	2,486'
3/4°	2,992'
1-1/4°	3,565'
1°	4,007'
1°	4,506'
1-1/4°	4,790'

NM OIL CONSERVATION
ARTESIA DISTRICT

District I
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District II
1301 W. Grand Avenue, Artesia, NM 88210
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1000 Rio Brazos Rd., Aztec, NM 87410
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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 30-015-37044		² Pool Code 97253		³ Pool Name Red Lake, San Andres	
⁴ Property Code 309874		⁵ Property Name STALEY STATE			⁶ Well Number 5
⁷ OGRID No. 281994		⁸ Operator Name LRE OPERATING, LLC.			⁹ Elevation 3595' GL

¹⁰ Surface Location

UL or lot no. H	Section 30	Township 17-S	Range 28-E	Lot Ida	Feet from the 1650	North/South line NORTH	Feet from the 330	East/West line EAST	County EDDY
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

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 undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: Mike Pippin Date: 1/22/15

Printed Name: Mike Pippin

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.

3/24/09

Date of Survey

Signature and Seal of Professional Surveyor:

Ronald Eidson

3239

Certificate Number