

Office

District I - (575) 393-0178

District II - (575) 748-1283

District III - (505) 334-6178

District IV - (505) 476-3460

1625 N. French Dr., Hobbs, NM 88240

811 S. First St., Artesia, NM 88210

1000 Rio Brazos Rd., Aztec, NM 87410

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

NM OIL CONSERVATION Minerals and Natural Resources

APR 03 2015

RECEIVED

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Revised July 18, 2013

WELL API NO. 30-015-40983
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.

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.)		7. Lease Name or Unit Agreement Name <b>STALEY STATE</b>
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		8. Well Number #20
2. Name of Operator <b>LRE OPERATING, LLC</b>		9. OGRID Number 281994
3. Address of Operator c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401		10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836) Red Lake, Queen-Grayburg-San Andres (51300)
4. Well Location Unit Letter <u>O</u> : <u>330</u> feet from the <u>South</u> line and <u>1650</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.) 3648' GL	

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- CLOSED-LOOP SYSTEM
- OTHER: Recomplete to San Andres & DHC

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- 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 @ ~3250' & PT to ~3500 psi. (Existing Yeso perms are @ 3290'-4660'). Perf lower San Andres @ ~2782'-3137' w/~38 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~313,740# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2720' & PT to ~3500 psi. Perf San Andres @ ~2256'-2647' w/~40 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~352,590# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2150' & PT to ~3500 psi. Perf upper San Andres @ ~1768'-1952' w/~37 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~138,600# 40/70 Ottawa sand in slick water.

CO after frac & drill out CBPs @ 2150' & 2720', & CO to CBP @ 3250'. Run 2-7/8" 6.5#J-55 production tbg & land @ ~3135'. Run pump & rods. 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 CBP @ 3250' will be removed & the well DHC as per order ART-4609-W.

Spud Date: 3/3/13

Drilling Rig Release Date: 3/10/13

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 4/2/15

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

For State Use Only

APPROVED BY: [Signature] TITLE Assistant Supervisor DATE 4/2/15

Conditions of Approval (if any):

	County	EDDY	Well Name	Staley State #20	Field:	Redlake Glorieta-Yeso NE	Well Sketch:	AFE R15018 LRE Operating, LLC
	Surface Lat:	32.7985900°N	BH Lat:	32.7985900°N	Survey:	S30-T17S-R28E Unit O	API #:	30-015-40983
	Surface Long:	104.2112107°W	BH Long:	104.2112107°W		330' FSL & 1650' FEL	OGRID #	281994

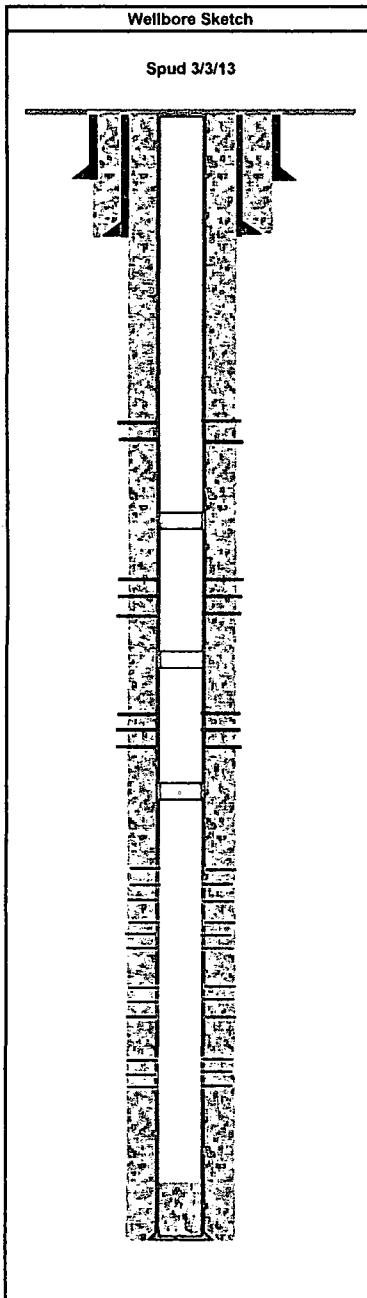
Directional Data:	
KOP	Vertical Well
Max Dev.:	
Diag sev:	
Dev @ Perfs	
Ret to Vert:	

Tubular Data							
Tubulars	Size	Weight	Grade	Thread	TVD	MD	TOC
Conductor	20"	91.5#	B	Weld	40'	40'	SURF
Surface	8 5/8"	24#	J-55	STC	430'	430'	SURF
Intermediate							
Production	5 1/2"	17#	J-55	LTC	4908'	4908'	SURF
Liner							

Wellhead Data	
Type:	
WP:	
Tree Cap	Flange:
	Thread:
Tbg Hanger:	
8TM Flange:	
BPV Profile:	NA
Elevations:	GR - RKB = 13.4'
RKB:	3660.9
GL:	3,647.5'

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

CEMENT DATA							
	L/sks	Yld	Wt	T/sks	Yld	Wt	XS
Surface	330	1.35	14.8	NA	NA	NA	125 sx
Intermediate							
Liner							
Production	350	1.9	12.8	650	1.33	14.8	198 sx



Completion Information					
DEPTHS (MD)	FORMATION TOPS / WELL INFO	PERFORATIONS		# of HOLES	DETAILS
		from	to		
0					
40'	26" Hole				20" Conductor Pipe
430'	12-1/4" Hole				8-5/8" Surf Csg Circ 125 sx Cmt to surf
1,768'	San Andres				
2 7/8" tbg, TAC at 1668', SN at 3100', 4' slotted sub, 1 jt MA w BP at 3135'					
91- 7/8" KD, 29 - 3/4" KD, 4- 1.5" kbars, 2.5"x2"x20' RHBC-HVR Pump					
Lufkin 640-365-168 w 50 HP Motor, 147" SL at 8 SPM					
	Stage #3 San Andres	1,768'	1,952'	37	184', 1500 g 15% HCL, 30,000 # 100 Mesh 138,600 # 40/70, 4826 bbbls water, 80 + BPM
CBP at 2150'					
	Stage #2 San Andres	2,256'	2,647'	40	391', 1500 g 15% HCL, 30,000 # 100 Mesh 352,590 # 40/70, 9300 bbbls water, 80 + BPM
CBP at 2720'					
	Stage #1 San Andres	2,782'	3,137'	38	355', 1500 g 15% HCL, 30,000 # 100 Mesh 313,740 # 40/70, 8800 bbbls water, 80 + BPM
CBP at 3250'					
3229'	Glorieta				
3,290'	Yeso				
	Stage 4 U. Yeso Frac	3290'	3590'	39	301' Stg 4 - See Frac Design
	Stage 3 L. Yeso Frac	3650'	3900'	51	250' Stg 3 - See Frac Design
	Stage 2 L. Yeso Frac	3980'	4281'	43	301' Stg 2 - See Frac Design
	Stage 1 L. Yeso Frac	4330'	4661'	67	331' Stg1 - See Frac Design
4714'	Tubb				
	PBDT				
4908'	PROD CSG				above 5-1/2" Float Collar 5-1/2" Prod Csg. Circ 198 SX Cmt to Surf
Comments: NM OCD CLP 0213828				Plug back Depth:	MD
				Total Well Depth:	4920' 4920' MD
				Prepared By:	Date:
				Eric McClusky	1-Apr-15

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88200

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

NM OIL CONSERVATION State of New Mexico  
ARTESIA DISTRICT Energy, Minerals & Natural Resources Department

APR 03 2015 OIL CONSERVATION DIVISION

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

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

RECEIVED

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-40983	<sup>2</sup> Pool Code 51300	<sup>3</sup> Pool Name Red Lake, Queen-Grayburg-San Andres
<sup>4</sup> Property Code 309874	<sup>5</sup> Property Name STALEY STATE	
<sup>7</sup> OGRID No. 281994	<sup>8</sup> Operator Name LRE OPERATING, LLC.	<sup>6</sup> Well Number 20
<sup>9</sup> Elevation 3648' GL		

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	30	17-S	28-E		330	SOUTH	1650	EAST	EDDY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

30	330'	SURFACE	1650'
	<p><sup>17</sup> OPERATOR CERTIFICATION</p> <p><i>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 unleased 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.</i></p> <p>Signature: <u>Mike Pippin</u> Date: 4/2/15</p> <p>Printed Name: <u>Mike Pippin</u></p>		
	<p><sup>18</sup> SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>12/27/12</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor: Filmon F. Jaramillo</p> <p>12797</p> <p>Certificate Number</p>		