

| Submit To Appropriate District Office Two Copies District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 | | State of New Mexico ARTESIA DISTRICT Energy, Minerals and Natural Resources OIL CONSERVATION DIVISION 1220 South St. Francis Santa Fe, NM 87505 <div style="position: absolute; top: 0; right: 0; text-align: right;"> Form C-105 July 17, 2008 </div> <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%);"> JUN 22 2015 RECEIVED </div> | | | 1. WELL API NO. 30-015-40989 2. Type of Lease <input checked="" type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/> FED/INDIAN 3. State Oil & Gas Lease No. | | | | | | | | | | | | | |
|---|---|---|--|--|--|--|-----------------|--------------------|----------|---------------------------------------|----------------|-------------------------------|-------------|---|-------------|--|-------------|--|
| WELL COMPLETION OR RECOMPLETION REPORT AND LOG | | | | | | | | | | | | | | | | | | |
| 4. Reason for filing: <input checked="" type="checkbox"/> COMPLETION REPORT (Fill in boxes #1 through #31 for State and Fee wells only) <input type="checkbox"/> C-144 CLOSURE ATTACHMENT (Fill in boxes #1 through #9, #15 Date Rig Released and #32 and/or #33; attach this and the plat to the C-144 closure report in accordance with 19.15.17.13.K NMAC) | | | 5. Lease Name or Unit Agreement Name STALEY STATE 6. Well Number: #21 | | | | | | | | | | | | | | | |
| 7. Type of Completion: <input type="checkbox"/> NEW WELL <input checked="" type="checkbox"/> WORKOVER <input type="checkbox"/> DEEPENING <input type="checkbox"/> PLUGBACK <input checked="" type="checkbox"/> DIFFERENT RESERVOIR <input checked="" type="checkbox"/> OTHER Recompleted to San Andres | | | | | | | | | | | | | | | | | | |
| 8. Name of Operator: LRE OPERATING, LLC | | | 9. OGRID: 281994 | | | | | | | | | | | | | | | |
| 10. Address of Operator: c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401 | | | 11. Pool name or Wildcat: Red Lake, Glorieta-Yeso NE (96836) Red Lake, Queen-Grayburg-San Andres (51300) | | | | | | | | | | | | | | | |
| 12. Location | Unit Ltr | Section | Township | Range | Lot | Feet from the | N/S Line | Feet from the | E/W Line | County | | | | | | | | |
| Surface: | I | 30 | 17-S | 28-E | | 1655 | South | 330 | East | Eddy | | | | | | | | |
| BH: | | | | | | | | | West | | | | | | | | | |
| 13. Date Spudded 3/21/13 | 14. Date T.D. Reached 3/25/13 | 15. Date Drilling Rig Released 3/27/13 | | 16. Date Completed (Ready to Produce) WO: 6/18/15 | | 17. Elevations (DF and RKB, RT, GR, etc.): 3615' GR | | | | | | | | | | | | |
| 18. Total Measured Depth of Well 4965' | | 19. Plug Back Measured Depth 4918' (RBP @ 3250') | | 20. Was Directional Survey Made? Yes | | 21. Type Electric and Other Logs Run Induction, Density/Neutron | | | | | | | | | | | | |
| 22. Producing Interval(s), of this completion - Top, Bottom, Name 1758'-1992'-Upper SA, 2238'-2640'- Middle SA, 2766'-3110' - Lower SA | | | | | | | | | | ART-4609-Z | | | | | | | | |
| 23. CASING RECORD (Report all strings set in well) | | | | | | | | | | | | | | | | | | |
| CASING SIZE | | WEIGHT LB./FT. | | DEPTH SET | | HOLE SIZE | | CEMENTING RECORD | | AMOUNT PULLED | | | | | | | | |
| 8-5/8" | | 24# J-55 | | 428' | | 12-1/4" | | 330 sx CI C | | 0' | | | | | | | | |
| 5-1/2" | | 17# J-55 | | 4958' | | 7-7/8" | | 350 sx 35/65 Poz/C | | 0' | | | | | | | | |
| | | | | | | | | + 600 sx C | | | | | | | | | | |
| 24. LINER RECORD | | | | | | | | | | | | | | | | | | |
| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN | | | | | | | | | | | | | | |
| | | | | 2-7/8" | | | | | | | | | | | | | | |
| 25. TUBING RECORD | | | | | | | | | | | | | | | | | | |
| SIZE | | DEPTH SET | | | | | | | | | | | | | | | | |
| | | 3138' | | | | | | | | | | | | | | | | |
| 26. Perforation record (interval, size, and number) Upper SA: 1758'-1992', 35 holes Upper SA: 2238'-2640', 40 holes Middle SA: 2766'-3110', 35 holes Existing Yeso Perfs: 3310'-4580' w/152 holes | | | | | | 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th>DEPTH INTERVAL</th> <th>AMOUNT AND KIND MATERIAL USED</th> </tr> <tr> <td>1758'-1992'</td> <td>1500 gals 15% HCL; fraced w/32,345# 100 mesh & 126,826 40/70 Ottawa sand in slick water.1</td> </tr> <tr> <td>2238'-2640'</td> <td>1500 gals 15% HCL; fraced w/30,558# 100 mesh & 344,409 40/70 Ottawa sand in slick water.</td> </tr> <tr> <td>2766'-3110'</td> <td>1500 gals 15% HCL; fraced w/29,386# 100 mesh & 304,471 40/70 Ottawa sand in slick water.</td> </tr> </table> | | | | | DEPTH INTERVAL | AMOUNT AND KIND MATERIAL USED | 1758'-1992' | 1500 gals 15% HCL; fraced w/32,345# 100 mesh & 126,826 40/70 Ottawa sand in slick water.1 | 2238'-2640' | 1500 gals 15% HCL; fraced w/30,558# 100 mesh & 344,409 40/70 Ottawa sand in slick water. | 2766'-3110' | 1500 gals 15% HCL; fraced w/29,386# 100 mesh & 304,471 40/70 Ottawa sand in slick water. |
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| 2766'-3110' | 1500 gals 15% HCL; fraced w/29,386# 100 mesh & 304,471 40/70 Ottawa sand in slick water. | | | | | | | | | | | | | | | | | |
| 28. PRODUCTION | | | | | | | | | | | | | | | | | | |
| Date First Production READY | | Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping | | | | Well Status (Prod. or Shut-in) Pumping | | | | | | | | | | | | |
| Date of Test Within 30 days | Hours Tested | Choke Size | Prod'n For Test Period: | Oil - Bbl | Gas - MCF | Water - Bbl. | Gas - Oil Ratio | | | | | | | | | | | |
| Flow Tubing Press. | Casing Pressure | Calculated 24- Hour Rate | Oil - Bbl. | Gas - MCF | Water - Bbl. | Oil Gravity - API - (Corr.) | | | | | | | | | | | | |
| 29. Disposition of Gas (Sold, used for fuel, vented, etc.) To Be Sold | | | | | | | | | | 30. Test Witnessed By: Jerry Smith | | | | | | | | |
| 31. List Attachments | | | | | | | | | | | | | | | | | | |
| 32. If a temporary pit was used at the well, attach a plat with the location of the temporary pit. | | | | | | | | | | | | | | | | | | |
| 33. If an on-site burial was used at the well, report the exact location of the on-site burial: | | | | | | | | | | | | | | | | | | |
| Latitude _____ Longitude _____ NAD 1927 1983 | | | | | | | | | | | | | | | | | | |
| I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief | | | | | | | | | | | | | | | | | | |
| Signature | | Printed Name | | Title: Petroleum Engineer | | Date: 6/19/15 | | | | | | | | | | | | |
| E-mail Address: mike@pippinllc.com | | | | | | | | | | | | | | | | | | |

STALEY STATE #21 -- Recompleted to San Andres

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

OIL OR GAS SANDS OR ZONES

No. 4, from.....to.....

No. 2, from.....to.....feet.....

| From | To | Thickness In Feet | Lithology |
|------|----|----------------------|-------------|
| | | | - On File - |