

SEP 15 2015

RECEIVED

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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.)		WELL API NO. 30-015-41066
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator LRE OPERATING, LLC		6. State Oil & Gas Lease No.
3. Address of Operator c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401		7. Lease Name or Unit Agreement Name STALEY STATE
4. Well Location Unit Letter <u>I</u> : <u>2310</u> feet from the <u>South</u> line and <u>965</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		8. Well Number #25
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3597' GL		9. OGRID Number 281994
		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: Recompleted to 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.

LRE has recompleted this Yeso oil well to the San Andres as follows: On 7/9/15, MIRUSU. TOH w/rods, pump, & tbg. Set 5-1/2" CBP @ 3240' & PT 5-1/2" csg & CBP to 3500 psi-OK. (Existing Yeso perms are @ 3314'-4606'). Perfed lower San Andres @ 2632'-3014' w/35-0.42" holes. On 7/15/15, treated w/1500 gal 15% HCL acid & fraced lower San Andres w/30,405# 100 mesh & 321,214# 40/70 Arizona sand in slick water.

Set 5-1/2" CBP @ 2600'. PT CBP & 5-1/2" csg to 4000 psi-OK. Perfed middle San Andres @ 2200'-2570' w/36-0.42" holes. Treated perms w/1500 gal 15% HCL acid & fraced w/29,499# 100 mesh & 312,528# 40/70 Arizona sand in slick water.

Set 5-1/2" CBP @ 2100' & PT CBP & 5-1/2" csg to 4000 psi-OK. Perfed upper San Andres @ 1740'-1962' w/27-0.42" holes. Treated perms w/1500 gal 15% HCL acid & fraced w/28,625# 100 mesh & 128,615# 40/70 Arizona sand in slick water.

Drilled CBPs @ 2100', 2600', & CO to CBP @ 3240'. On 7/16/15, landed 2-7/8" 6.5# J-55 tbg @ 3045'. Ran pump & rods. Released completion rig on 7/17/15. Completed the well as a single San Andres oil well. Following a test on the San Andres alone, the CBP @ 3240' will be removed and the well DHC as per State order ART-4609-BB.

Spud Date: 8/22/13

Drilling Rig Release Date: 8/28/13

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 7/20/15Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573**For State Use Only**APPROVED BY: JD Wade TITLE Dist H Spewison DATE 9/16/15

Conditions of Approval (if any):