

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMNM97122

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

8. Well Name and No.
CHALK FEDERAL 7

9. API Well No.
30-015-42875-00-X1

10. Field and Pool, or Exploratory
RED LAKE

11. County or Parish, and State
EDDY COUNTY, NM

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
LRE OPERATING LLC

Contact: **MIKE PIPPIN**
E-Mail: **mike@pippinllc.com**

3a. Address
**1111 BAGBY SUITE 4600
HOUSTON, TX 77002**

3b. Phone No. (include area code)
Ph: 505-327-4573

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**Sec 5 T18S R27E NESW 1650FSL 1650FWL
.32.773964 N Lat, 104.303301 W Lon**

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Hydraulic Fracture
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

THIS IS THE INITIAL COMPLETION FOR THIS YESO OIL WELL:

On 8/7/15, PT 5-1/2" csg to 4000 psi for 30 min-OK. Perfed lower Yeso @ 3696'-4010'w/1-0.42" spf. Total 33 holes. On 8/18/15, treated perms w/2020 gal 15% HCL acid & fraced w/29,978# 100 mesh & 287,918# 40/70 Arizona sand in slick water.

Set 5-1/2" RBP @ 3660'. PT RBP & 5-1/2" csg to 3500 psi-OK. Perfed Yeso @ 3310'-3620' w/1-0.42" spf. Total 32 holes. Treated perms w/1529 gal 15% HCL acid & fraced w/30,324# 100 mesh & 270,966# 40/70 Arizona sand in slick water.

Set 5-1/2" RBP @ 3240'. Perfed Yeso @ 2840'-3162' w/1-0.42" spf. Total 32 holes. Treated perms 1000 gal 15% HCL acid & fraced w/30,236# 100 mesh & 338,788# 40/70 Arizona sand in slick water.

NM OIL CONSERVATION
ARTESIA DISTRICT
OCT 30 2015

RECEIVED

RED 11/4/15
Accepted for record
NMOCD

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #314342 verified by the BLM Well Information System
For LRE OPERATING LLC, sent to the Carlsbad
Committed to AFMSS for processing by JENNIFER SANCHEZ on 10/23/2015 (16JAS0633SE)**

Name (Printed/Typed) **MIKE PIPPIN** Title **PETROLEUM ENGINEER**

Signature (Electronic Submission) Date **08/27/2015**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD
OCT 26 2015
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Approved By _____ Title _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional data for EC transaction #314342 that would not fit on the form

32. Additional remarks, continued

On 8/24/15, MIRUSU. CO after frac, drill out CBPs @ 3240' & 3660', & CO to PBTD @ 4040'. On 8/25/15, landed 2-7/8" 6.5# J-55 tbg @ 3930'. Ran pump & rods. Released completion rig on 8/26/15.