

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6166
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88208
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

Form C-103
Revised July 18, 2013

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

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|---|
| WELL API NO. 30-015-40989 |
| 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 #21 |
| 9. OGRID Number 281994 |
| 10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836) Red Lake, Queen-Grayburg-San Andres (51300) |

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| 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>I</u> : <u>1655</u> feet from the <u>South</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.) 3615' GL | |

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

| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
|--|---|---|--|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | | | |
| CLOSED-LOOP SYSTEM <input checked="" type="checkbox"/> | | | |
| OTHER: <input type="checkbox"/> | | OTHER: 1 st Delivery & IP Test <input checked="" type="checkbox"/> | |

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.

This well was recently recompleted into the San Andres. It1st Delivered gas on 6/22/15 & oil on 7/1/15 with its IP Test on 7/14/15 for 80 BOPD, 30 MCF/D, & 400 BWPD.

Spud Date: 3/21/13 Drilling Rig Release Date: 3/27/13
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 7/16/15

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

For State Use Only

APPROVED BY: [Signature] TITLE Dr. J. P. Spewer DATE 1/5/2016
Conditions of Approval (if any):