

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

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

WELL API NO. 30-015-34111
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name WYLIE
8. Well Number #2
9. OGRID Number 281994
10. Pool name or Wildcat Red Lake, Queen-Grayburg-San Andres (51300)

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 ☒ Gas Well ☐ Other ☐

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 A : 990 feet from the NORTH line and 990 feet from the EAST line
Section 28 Township 17-S Range 28-E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3641' GL

RECEIVED
FEB 15 2012
NMOCD ARTESIA

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☐			
OTHER: ☐		OTHER: Open San Andres & Test ☒	

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

On 2/6/12, MIRUSU. TOH w/rods, pump, & tbg. W/pkr @ 3306', PT 5-1/2" csg to 1000 psi-OK. TOH w/pkr. Set 5-1/2" CBP above Yeso perfs (3341'-3499') @ 3280'. PT 5-1/2" csg & CBP to 4000 psi-OK. Perfed lower San Andres @ 2875', 80', 85', 90', 95', 2900', 05', 10', 15', 20', 25', 30', 35', 40', 45', 50', 55', 60', 65', 70', 75', 80', 85', 90', 95', 3000', 05', 10', 15', 20', 25', 30', 35', 40', 45', 50', 55', 60' w/1-0.41" spf. Total 38 holes. Treated w/2500 gal 7.5% HCL acid & 57 perf balls. On 2/9/12, fraced w/54,321# 16/30 Brady & 16,972# 16/30 siber prop sand in X-linked gel.

Set 5-1/2" CBP @ 2650'. PT 5-1/2" csg & CBP to 4000 psi-OK. Perfed upper San Andres @ 2285', 90', 95', 2300', 05', 10', 15', 20', 25', 30', 35', 40', 45', 50', 55', 60', 65', 70', 75', 80', 85', 90', 95', 2400', 05', 10', 15', 20', 25', 30', 35', 40', 45', 50', 55', 60', 65', 70', 75', 80', 85', 90', 95', 2500', 05', 10', 15', 20', 25', 30', 35', 40', 45', 50', 60', 65', 70', 75', 80', 85' w/1-0.41" spf. Total 60 holes. Treated perfs w/2500 gal 7.5% HCL acid & 90 perf balls. On 2/9/12, fraced w/77,248# 16/30 Brady & 19,880# siber prop 16/30 sand in X-linked gel.

CO after frac, drilled CBP @ 2650' & CO to CBP @ 3280'. On 2/13/12, landed 2-7/8" 6.5# J-55 tbg @ 3145'. Ran pump & rods. Completed as a single San Andres oil well. Released completion rig on 2/14/12. We plan to test the San Andres for about 3 weeks, and then commingle with the existing Yeso perfs (3341'-3499') as per DHC-4484.

Spud Date: 5/17/06 Rig Release Date: 5/26/06

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 2/14/12

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

For State Use Only

APPROVED BY: R. Dade TITLE District Supervisor DATE 02/22/12
Conditions of Approval (if any):