

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 Energy, Minerals and Natural Resources <div style="border: 1px solid black; padding: 5px; display: inline-block;"> FIVE JUL 8 2012 ARTESIA </div> Oil Conservation Division 300 South St. Francis Dr. Santa Fe, NM 87505			Form C-105 July 17, 2008														
		1. WELL API NO. 30-015-40029																	
		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 ARCO STATE																	
		6. Well Number: #2																	
7. Type of Completion: <input checked="" type="checkbox"/> NEW WELL <input type="checkbox"/> WORKOVER <input type="checkbox"/> DEEPENING <input type="checkbox"/> PLUGBACK <input type="checkbox"/> DIFFERENT RESERVOIR <input type="checkbox"/> OTHER																			
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: Empire, Glorieta-Yeso (96210)																
12. Location	Unit Ltr	Section	Township	Range	Lot	Feet from the	N/S Line	Feet from the	E/W Line	County									
Surface:	L	24	17-S	28-E		2310	South	990	West	Eddy									
BH:																			
13. Date Spudded 6/26/12	14. Date T.D. Reached 7/1/12	15. Date Drilling Rig Released 7/2/12		16. Date Completed (Ready to Produce) 7/16/12		17. Elevations (DF and RKB, RT, GR, etc.): 3700' GR													
18. Total Measured Depth of Well 5277'		19. Plug Back Measured Depth 5225'		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 3740'-4005'-Upper Yeso, 4089'-4345'- Upper Yeso, 4392'-4733' - Middle Yeso, 4830'-5100' - Lower Yeso																			
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		508'		12-1/4"		325 sx CI C		0'									
5-1/2"		17# J-55		5272'		7-7/8"		350 sx 35/65 Poz/C		0'									
								+ 550 sx C											
24. LINER RECORD						25. TUBING RECORD													
SIZE		TOP		BOTTOM		SACKS CEMENT		SCREEN		SIZE									
										2-7/8"									
										5116'									
26. Perforation record (interval, size, and number) <u>Upper Yeso: 3740'-4005', 50 holes</u> <u>Upper Yeso: 4089'-4345', 32 holes</u> <u>Middle Yeso: 4392'-4733', 34 holes</u> <u>Lower Yeso: 4830'-5100', 30 holes</u>						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>3740'-4005'</td> <td>2000 gals 7.5% HCL, fraced w/59,137# 16/30 & 11,896# 16/30 Siber prop sand in X-linked gel</td> </tr> <tr> <td>4089'-4345'</td> <td>1000 gals 7.5% HCL; fraced w/58,052# 16/30 & 18,823# 16/30 Siber prop sand in X-linked gel</td> </tr> <tr> <td>4392'-4733'</td> <td>2000 gals 7.5% HCL; fraced w/66,843# 16/30 & 23,365# 16/30 Siber prop sand in X-linked gel</td> </tr> </table>						DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED	3740'-4005'	2000 gals 7.5% HCL, fraced w/59,137# 16/30 & 11,896# 16/30 Siber prop sand in X-linked gel	4089'-4345'	1000 gals 7.5% HCL; fraced w/58,052# 16/30 & 18,823# 16/30 Siber prop sand in X-linked gel	4392'-4733'	2000 gals 7.5% HCL; fraced w/66,843# 16/30 & 23,365# 16/30 Siber prop sand in X-linked gel
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28. PRODUCTION s						4830'-5100' 2000 gals 7.5% HCL, fraced w/52,908# 16/30 & 17,786# 16/30 siber prop sand in X-linked gel													
Date First Production READY		Production Method (<i>Flowing, gas lift, pumping - Size and type pump</i>) 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 - (<i>Corr.</i>)													
29. Disposition of Gas (<i>Sold, used for fuel, vented, etc</i>) 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		Mike Pippin		Title: Petroleum Engineer		Date: 7/17/12									
E-mail Address: <u>mike@pippinllc.com</u>																			

INSTRUCTIONS

ARCO STATE #2 -- New Well

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well and not later than 60 days after completion of closure. When submitted as a completion report, this shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 11, 12 and 26-31 shall be reported for each zone.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anhy	T. Canyon	T. Ojo Alamo	T. Penn A"
T. Salt	T. Strawn	T. Kirtland	T. Penn. "B"
B. Salt	T. Atoka	T. Fruitland	T. Penn. "C"
T. Yates	T. Miss	T. Pictured Cliffs	T. Penn. "D"
T. 7 Rivers	T. Devonian	T. Cliff House	T. Leadville
T. Queen	T. Silurian	T. Menefee	T. Madison
T. Grayburg	T. Montoya	T. Point Lookout	T. Elbert
T. San Andres	T. Simpson	T. Mancos	T. McCracken
T. Glorieta 3637'	T. McKee	T. Gallup	T. Ignacio Otzte
T. Yeso 3734'	T. Ellenburger	Base Greenhorn	T. Granite
T. Blinbry	T. Gr. Wash	T. Dakota	
T. Tubb 5139'	T. Delaware Sand	T. Morrison	
T. Drinkard	T. Bone Springs	T. Todilto	
T. Abo	T.	T. Entrada	
T. Wolfcamp	T.	T. Wingate	
T. Penn	T.	T. Chinle	
T. Cisco (Bough C)	T.	T. Permian	

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....

No. 3, from.....to.....

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

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

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from.....to.....feet.....

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

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness In Feet	Lithology
			- On File -

From	To	Thickness In Feet	Lithology