

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. 30-015-30229
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name CHAPARRAL 10
8. Well Number #1
9. OGRID Number 281994
10. Pool name or Wildcat Willow Lake Delaware SW (96855)

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 type="checkbox"/> Gas Well <input type="checkbox"/> Other SWD	
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 F : 1980 feet from the NORTH line and 1980 feet from the WEST line Section 10 Township 25-S Range 28-E NMPM Eddy County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 2926' 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"/>			
OTHER: <input type="checkbox"/>		OTHER: Initiate Water Injection <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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Following this well's successful MIT test on 8/10/12, LRE Operators, LLC initiated produced water injection into this new SWD well on 8/13/12 as per order SWD-1332.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

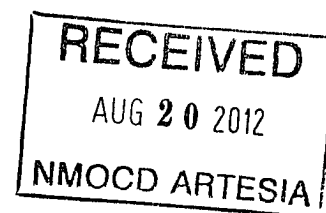
SIGNATURE *Mike Pippin* TITLE Petroleum Engineer - Agent DATE 8/17/12

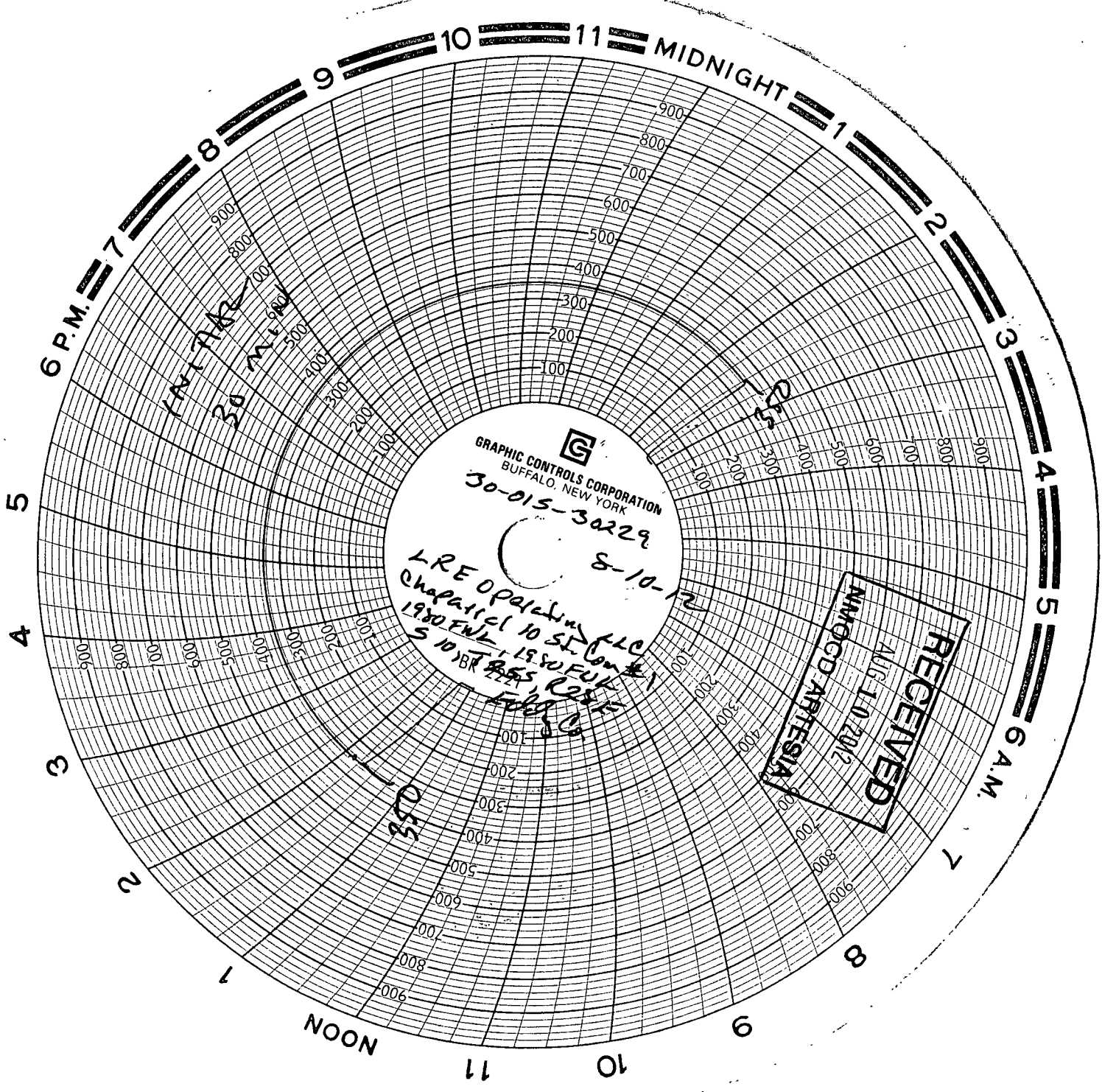
Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only
APPROVED BY: *Ruano Inas* TITLE COMPLIANCE OFFICER DATE 8/21/12

Conditions of Approval (if any):

*non-well POS for this well
is 2837042. Use for
reporting sale of skim oil*





GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK
30-015-30229

8-10-12
LRE Operating Co.
Chaparral 10 St. Louis
1900 F.W.L. 1900 F.W.L.
S 10 BR 227
F.W.L. Co.

RECEIVED
AUG 10 1912
NIMOD ARTESIA