

Office

Energy, Minerals and Natural Resources

June 19, 2008

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

RECEIVED
OIL CONSERVATION DIVISION
JAN 17 2013
NMOCD ARTESIA

WELL API NO. 30-005-60969
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. LG-4333
7. Lease Name or Unit Agreement Name SKINNY QO STATE
8. Well Number #1
9. OGRID Number 281994
10. Pool name or Wildcat Pecos Slope Abo (82730)

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 O : 660 feet from the SOUTH line and 1980 feet from the EAST line
Section 2 Township 6-S Range 25-E NMPM Chaves County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3864' GL

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- PLUG AND ABANDON
- CHANGE PLANS
- MULTIPLE COMPL

OTHER: Plug and Abandon

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS
- CASING/CEMENT JOB
- ALTERING CASING
- P AND A

OTHER:

**Notify OCD 24 hrs. prior
To any work done.**

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.

LRE OPERATING, LLC would like to P&A this Abo well as follows: **MIRUSU. TOH w/all production equipment. Plug #1, (3750'-3650') Abo perfs 3835'-3966'**. Set 4-1/2" CIBP @ 3750' & top w/25 sx cmt (~323'). WOC. Circ hole w/P&A mud (25 sx gel/100 bbls water). **Plug #2 (3250'-3150'), Above TOC in 4-1/2" (3300')**. Perf 3 SQ holes @ 3250'. Establish rate into SQ holes. Set 4-1/2" cmt ^{100g} ~~ret~~ @ 3200'. Mix 51 sx cmt & SQ 39 sx outside 4-1/2" csg & leave 12 sx inside csg. **Plug #3 (1652'-1552'), Top of Glorieta @ 1602'**. Perf 3 SQ holes @ 1652'. Establish rate into SQ holes. Set 4-1/2" ~~cmt ret~~ @ 1602'. Mix 51 sx cmt & SQ 39 sx outside 4-1/2" csg & ^{Tag} ~~leave~~ 12 sx inside csg. **Plug #4 (622'-414'), Top of San Andres @ 572' & 13-3/8" csg shoe @ 464'**. Perf 3 SQ holes @ 622'. ^{Tag} ~~Establish~~ rate into SQ holes. Set 4-1/2" ~~cmt ret~~ @ 572'. Mix 104 sx cmt & SQ 80 sx outside 4-1/2" csg & leave 24 sx inside csg. **Plug #5 (60'-Surface)**. Perf 3 SQ holes @ 60'. Establish circ out bradenhead w/water. Pump cmt down 4-1/2" csg & circ out bradenhead, (~50 sx). Cut off csg below surface csg flange. Install P&A marker with cmt to comply with government specs. RD move off location, cut off anchors and restore location.

All cmt calc outside of csg are @ 200% & inside csg are 150%.

Spud Date: 6/11/81 Drilling Rig Release Date: 6/25/81

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 1/16/13

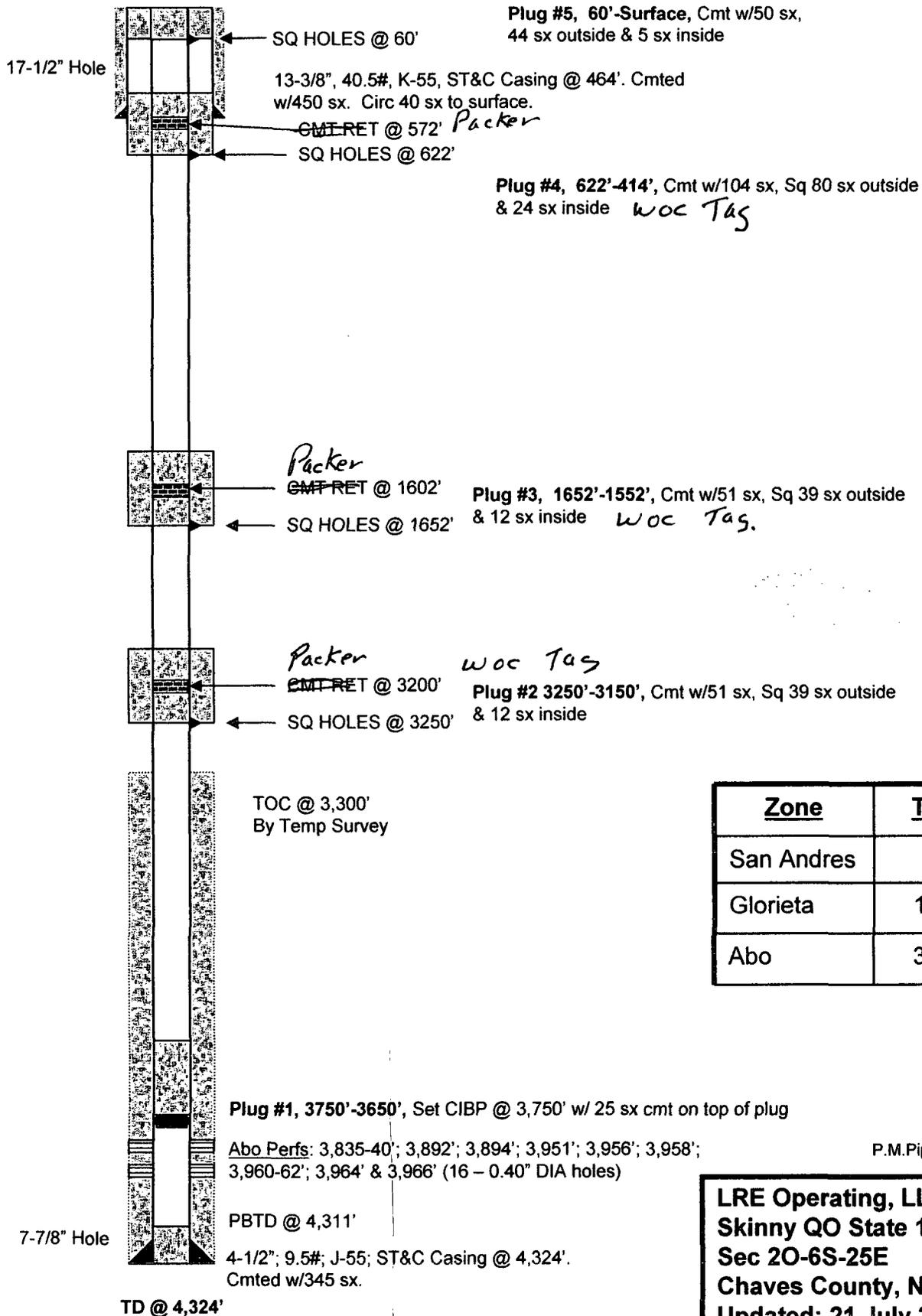
Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

APPROVED BY: [Signature] TITLE _____ DATE 1/29/2013

Conditions of Approval (if any):

Approval Granted providing work is complete by 4/29/2013

PROPOSED ABANDONMENT



<u>Zone</u>	<u>Top</u>
San Andres	572'
Glorieta	1,602'
Abo	3,658'

LRE Operating, LLC
Skinny QO State 1
Sec 20-6S-25E
Chaves County, NM
Updated: 21 July 2008 SJH

17-1/2" Hole

13-3/8", 40.5#, K-55, ST&C Casing @ 464'. Cmted w/450 sx cmt. Circ 40 sx to surface.

Elevation: 3,864.3' GL	
Date Spud: 06/11/81	
Date TD'd: 06/24/81	
Date Completed: 07/03/81	
Zone	Frac
Abo (3,835-966')	60,000 gals CO2 foamed gelled KCl w/ 10,000# 100-mesh sand & 110,000# 20/40 sand
Abo (3,835-966')	2,000 gals 7-1/2% HCl w/ N2
Abo (3,835-94')	2,500 gals 7-1/2% HCl w/ N2
Abo (3,951-66')	3,000 gals 7-1/2% HCl w/ N2
Recompletions & Workovers	
Date	
Current Status:	
Last Well Test:	

TOC @ 3,300' - Temp Survey

2-3/8", 4.7#, J-55, EUE 8rd Tubing w/ SN @ 3,800'

Abo Perfs: 3,835-40'; 3,892'; 3,894'; 3,951'; 3,956'; 3,958'; 3,960-62'; 3,964' & 3,966' (16 - 0.40" DIA holes)

P. M. PIPPIN 1/16/13

7-7/8" Hole

PBTD @ 4,311'

4-1/2"; 9.5#, J-55; ST&C Casing @ 4,324'. Cmted w/345 sx.

TD @ 4,324'

LRE Operating, LLC
Skinny QO State 1
Sec 20-6S-25E
Chaves County, NM
Updated: 21 July 2008 SJH

NEW MEXICO OIL CONSERVATION DIVISION
DISTRICT 2 OFFICE
811 S. FIRST STREET
ARTESIA, NM 88210
(575)748-1283

* CONDITIONS OF APPROVAL FOR PLUGGING & ABANDONMENT

Operator: LRE Operating, LLC

Well Name & Number: SKINNY 00 STATE #1

API #: 30-005-60969

1. Produced water **will not** be used during any part of the plugging & abandonment operation.
2. Notify NMOCD Dist. 2 office at least 24 hrs before beginning work.
3. Closed Loop System is to be used for entire plugging operation. Upon completion, contents of steel pit are to be hauled to a permitted disposal location.
4. Trucking companies being used to haul oilfield waste fluids to a disposal – commercial or private – shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator, as well as the contractor, to verify that this permit is in place prior to performing work. Drivers shall produce a copy upon request of NMOCD Field Inspectors.
5. A subsequent C-103 will serve as notification that the well bore has been plugged ONLY. A C-103 FINAL shall be filed before any bonding can be released on the well. Upon receipt of the Final, an inspection will be performed to verify that the location has been satisfactorily cleaned to NMOCD standards.
6. If work has not begun within 90 days of the approval of this procedure, an extension request must be filed, stating reason that well has not been plugged.
7. Every attempt must be made to clean the well bore out to below the perfs, before any plugs can be set, by whatever means possible.

* 8. Cement Retainers may not be used.

9. Squeeze pressures not to exceed 500 psi., unless approval is given by NMOCD Plugging Supervisor.

10. Plugs may be combined after consulting with NMOCD P & A Supervisor.

11. Minimum WOC time for tag plugs will be 4 hrs.

Date: 1/29/2013