

State of New Mexico  
Energy, Minerals and Natural Resources

RECEIVED

FEB 19 2013

NM OIL CONSERVATION DIVISION

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1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-015-40988

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil &amp; Gas Lease No.

7. Lease Name or Unit Agreement Name

STALEY STATE

8. Well Number #26

9. OGRID Number 281994

10. Pool name or Wildcat

Red Lake, Glorieta-Yeso NE (96836)

## 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 L : 1655 feet from the SOUTH line and 990 feet from the WEST line

Section 30 Township 17-S Range 28-E NMPM Eddy County

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

3598' GL

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

## NOTICE OF INTENTION TO:

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

## SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☒OTHER: ☐OTHER: Spud & Casings ☒

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.

Spud well on 2/6/13. Drilled 12-1/4" hole to 425'. Landed 8-5/8" 24# J-55 csg @ 425'. Cmted w/330 sx (442 cf) "C" cmt w/2% CaCl2, 0.005# static free, &amp; 0.25# CF. Circ 152 sx cmt to surface. On 2/7/13, PT 8-5/8" csg to 600 psi for 30 min-OK.

Drilled 7-7/8" hole from 8-5/8" csg shoe to 4930' on 2/11/13. Ran open hole logs. On 2/12/13, landed 5-1/2" 17# J-55 csg @ 4922'. Cmted lead w/330 sx (627 cf) 35/65 poz "C" cmt w/1/4#/sx CF, 5% salt, 5# LCM-1 &amp; 0.55% R-3. Tailed w/625 sx (831 cf) "C" cmt w/0.25#/sx CF, 0.25% R-3, &amp; 0.2% CD-32. Circ 91 sx cmt to pit. Released drilling rig on 2/12/13. On 2/15/13, pressure tested the 5-1/2" csg to 5000 psi for 30 min-OK.

Spud Date: 2/6/13

Drilling Rig Release Date: 2/12/13

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 2/18/13Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only

APPROVED BY: [Signature] TITLE Drs. J. S. Pearson DATE 2/19/2013

Conditions of Approval (if any):