

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

5. Lease Serial No.
NMLC-046250(B)

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
WILLIAMS B FEDERAL #6

9. API Well No.
30-015-35900

10. Field and Pool, or Exploratory Area
Artesia, Glorieta-Yeso (96830)
Red Lake, San Andres (97253)

AND
Eddy County, New Mexico

SUBMIT IN TRIPLICATE - Other instructions on reverse side

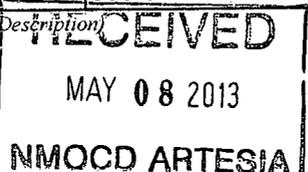
1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
LRE OPERATING, LLC

3a. Address
3104 N. Sullivan, Farmington, NM 87401

3b. Phone No. (include area code)
505-327-4573

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1850' FNL & 1650' FEL Unit G
Sec. 29, T17S, R28E



12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input type="checkbox"/> Recomplete <input checked="" type="checkbox"/> Other Commingle Allocations
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operations (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

This commingled oil well was 1st delivered on 3/16/13 after being downhole commingled as per DHC-4608. It was tested commingled on 4/1/13 for 14 BOPD & 43 MCF/D. The upper zone (San Andres) was tested single on 1/5/13 for 10 BOPD & 45 MCF/D. The attached calculatons indicate the following production allocations for each pool.

LOWER ZONE (CI)	UPPER ZONE (SA)
OIL 29%	71%
GAS 0%	100%



Yeso perfs: 3404'-3500' & San Andres perfs: 2748'-3050'

Permit Name (Printed/Typed) Mike Pippin Title Petr. Engr. (Agent)

Signature *Mike Pippin* Date April 3, 2013

Accepted for record *Wade 5/10/2013*

THIS SPACE FOR FEDERAL OR STATE USE

Approved by Title Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Office

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

LRE OPERATING, LLC
WILLIAMS B FEDERAL #6
Red Lake; Glorieta-Yeso & Red Lake, San Andres
G Section 29 T17S R28E
4/3/2013 – Mike Pippin
API#: 30-015-35900

Commingled Allocation Calculations

On 1/5/13, the upper zone (San Andres) tested at 10 BOPD & 45 MCF/D from San Andres perms 2748'-3050'.

On 3/13/13, the RBP above the lower zone (Yeso) perms 3404'-3500' was pulled, which commingled the Yeso with the San Andres.

On 4/1/13, the commingled Yeso & San Andres tested for 14 BOPD & 43 MCF/D.

Therefore, lower zone (Yeso) oil production is $14-10=4$ BOPD.

Therefore, lower zone (Yeso) gas production is $43-45=0$ MCF/D.

RECOMMENDED NEW OIL ALLOCATION

$$\% \text{ Lower Zone} = \frac{4}{14} = \underline{29\%}$$

$$\% \text{ Upper Zone} = \frac{10}{14} = \underline{71\%}$$

RECOMMENDED NEW GAS ALLOCATION

$$\% \text{ Lower Zone} = \frac{00}{43} = \underline{0\%}$$

$$\% \text{ Upper Zone} = \frac{45}{43} = \underline{100\%}$$