OCD Artesia

Form 3160-5
(November 1994)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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.

SUBMIT IN TRIPLICATE – Other instructions on reverse side

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

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

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

2. Name of Operator
LRE OPERATING, LLC

9. API Well No.
30-015-35900

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

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

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

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

AND
Eddy County, New Mexico

RECEIVED
MAY 08 2013
NMOCD ARTESIA

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

TYPE OF SUBMISSION	TYPE OF ACTION			
[X] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (Start/Resume)	[ ] Water Shut-Off
[ ] Subsequent Report	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[X] Other Commingle Allocations
	[ ] Change Plans	[ ] Plug and Abandon	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[ ] Plug Back	[ ] 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'

ACCEPTED FOR RECORD
MAY 5 2013
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Accepted for record
NMOCD
JWade 5/10/2013

Permit

Name *(Printed/Typed)*
Mike Pippin

Title
Petr. Engr. (Agent)

Signature
Mike Pippin

Date
April 3, 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

Commingle Allocation Calculations

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

On 3/13/13, the RBP above the lower zone (Yeso) perfs 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

% Lower Zone = 4/14 = **29%**

% Upper Zone = 10/14 = **71%**

RECOMMENDED NEW GAS ALLOCATION

% Lower Zone = 00/43 = **0%**

% Upper Zone = 45/43 = **100%**