

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-37044
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name STALEY STATE
8. Well Number #5
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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>
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 <u>H</u> : <u>1650</u> feet from the <u>North</u> line and <u>330</u> feet from the <u>East</u> line Section <u>30</u> Township <u>17-S</u> Range <u>28-E</u> NMPM <u>Eddy</u> County
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3595' 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 ☐
CLOSED-LOOP SYSTEM ☒
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: Payadd Workover ☒

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

LRE plans a same zone workover as follows: TOH w/rods, pump, & tbq. Set a CBP @ 3600 (above existing Yeso perfs @ 3668'-4595'). PT 5-1/2" csg & CBP to 3500 psi. Perf additional Glorieta/Yeso @ ~3215'-3540' w/~66 holes. Breakdown new perfs w/ ~4000 gal 15% HCL acid & frac w/ ~123,000# 16/30 sand in 25# X-linked gel. CO after frac & drill out CBP @ 3600'. CO through old perfs to ~4729'. Run 2-7/8" tbq & land @ ~4665'. Run pump, & rods & initiate producing load water. Release workover rig & complete as a single Glorieta/Yeso oil well.

Spud Date: 8/15/13

Drilling Rig Release Date: 8/21/13

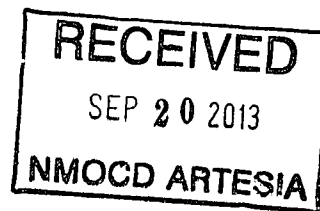
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Mike Pippin TITLE Petroleum Engineer - Agent DATE 9/19/13

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

For State Use Only

APPROVED BY: Dr. J. H. Spewer TITLE Dist. H. Spewer DATE 9/24/2013
Conditions of Approval (if any):



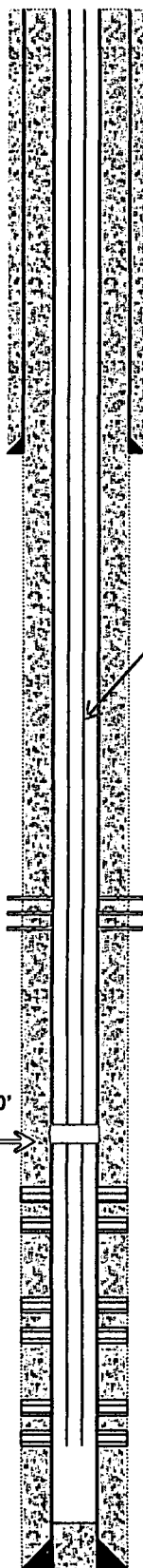


**LIME ROCK
RESOURCES**

LRE Operating, LLC
Proposed GL/Yeso 1 Stage Pay Add
AFE # W13090

**Staley State A #5
Sec 30-17S-28E
1650' FNL, 330' FEL
Elevation – 3,601'
API #: 30-015-37044
Eddy County, NM**

Spud
10/27/09



8-5/8", 23#, J-55, ST&C Casing @ 434'.
Cement with 375 sx. Circulated 133 sx to
Surface.

2-7/8"; 6.5#, J-55 Tubing, TAC at 3115', SN at 4630',
4' slotted sub, 1 jt MA w BP at 4665'

Stage # 1 GL/Yeso Perfs: 3215'-3541', 1 sp5f, 66 holes

Stim Info: 4,000 g 15% HCL acid and 100 bio balls, 70,000 g X-link
25# gel, 100,000 lbs 16/30 Brady, 22,500 lbs 16/30 resin
coated sand, staged 1-4.5 ppg, at 65 BPM

CBP @ 3600'

Yeso Perfs: 3,668' – 3,943' (1 SPF - 66 holes)
(2/14/10)

Stim Info: 4422 gal 15% NEFE; Frac w/ 100,287 #
16/30 Ottawa & 37,054 # SiberProp in 20# x-linked
gel. (2/14/10)

Yeso Perfs: 3,982' – 4,218' (1 SPF - 71 holes)
(2/14/10)

Stim Info: 3500 gal 15% NEFE; Frac w/ 79,793 #
16/30 Ottawa & 53,793 # SiberProp in 20# x-linked
gel. (2/14/10)

Yeso Perfs: 4,305' – 4,595' (1 SPF - 59 holes)
(11/19/09)

Stim Info: 5000 gal 15% NEFE; Frac w/ 116,196 #
16/30 Ottawa & 24,092 # SiberProp in 20# x-linked
gel. (11/20/09)

PBTd @ 4,729'

5-1/2"; 17#, J-55; ST&C Casing @ 4,771'.
Cement with 500 sx lead and 550 sx tail.

TD @ 4,790' Circulated 142 sx to Surface. (11/09/2009)

GEOLOGY

Zone	Top
Queen	1,064'
Grayburg	1,501'
San Andres	1,813'
Glorieta	3,180'
Yeso	3,301'
Tubb	4,720'

SURVEYS

Degrees	Depth
1°	445'
1/4°	935'
1/2°	1,513'
3/4°	2,486'
3/4°	2,992'
1-1/4°	3,565'
1°	4,007'
1°	4,506'
1-1/4°	4,790'