

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

RECEIVED FEB 18 2014 OIL CONSERVATION DIVISION 220 South St. Francis Dr. Santa Fe, NM 87505

WELL API NO. 30-015-39638
5. Indicate Type of Lease STATE [X] FEE []
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name ANTHONY STATE
8. Well Number #3
9. OGRID Number 281994
10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836) Red Lake, Queen-Grayburg-San Andres (51300)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3645' GL

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 [X] 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 P : 412 feet from the South line and 679 feet from the East line Section 30 Township 17-S Range 28-E NMPM Eddy County

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 [X]
CLOSED-LOOP SYSTEM [X]
OTHER: Recomplete to San Andres & DHC [X]
SUBSEQUENT REPORT OF:
REMEDIAL WORK [] ALTERING CASING []
COMMENCE DRILLING OPNS. [] P AND A []
CASING/CEMENT JOB []
OTHER: []

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 would like to recomplete into the San Andres & DHC with the existing Yeso as follows: MIRUSU. TOH w/rods, pump, & tbg. Set a CBP @ MD3300 (above existing Yeso perfs @ MD3361'-4722'). PT 5-1/2" csg & CBP to 3500 psi. Perf lower San Andres @ ~MD3030'-3245' w/ ~41 holes. Stimulate with ~2200 gal 15% HCL acid & frac w/ ~91,000# 16/30 sand in 25# X-linked gel. Set a 5-1/2" CBP @ ~MD3010' & PT csg & CBP to ~3500 psi. Perf middle San Andres @ ~MD2640'-2979' w/ ~38 holes. Stimulate with ~3400 gal 15% HCL acid & frac w/ ~113,000# 16/30 sand in 20# X-linked gel. Set a 5-1/2" CBP @ ~MD2615' & PT csg & CBP to ~3500; psi. Perf upper San Andres @ ~MD2232'-2591' w/ ~37 holes. Stimulate with ~3600 gal 15% HCL acid & frac w/ ~120,000# 16/30 sand in 20# X-linked gel. Set a 5-1/2" CBP @ ~MD2140' & PT csg & CBP to ~3500; psi. Perf upper San Andres @ ~MD1806'-2077' w/ ~28 holes. Stimulate with ~2000 gal 15% HCL acid & frac w/ ~54,000# 16/30 sand in 20# X-linked gel. CO after frac & drill out CBPs @ MD2140', 2615', 3010 & 3300' & CO to ~PBD @ 4989'. Land 2-7/8" production tbg @ ~MD4818'. Run pump & rods & release workover rig. Complete as a commingled Yeso / San Andres oil well. Work will not start until the DHC application in Santa Fe is approved. See the attached wellbore diagram.

Spud Date: 2/21/12 Drilling Rig Release Date: 3/2/12
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 2/15/14

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

APPROVED BY: [Signature] TITLE: [Signature] DATE: 2/19/14
Conditions of Approval (if any):

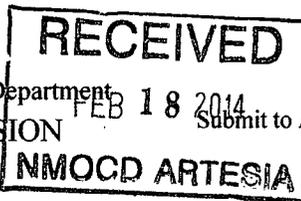
District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505



Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AS DRILLED

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-39638		² Pool Code 51300		³ Pool Name Red Lake, Queen, Grayburg, San Andres	
⁴ Property Code 310037		⁵ Property Name ANTHONEY STATE			⁶ Well Number 3
⁷ OGRID No. 281994		⁸ Operator Name LRE OPERATING, LLC.			⁹ Elevation 3645' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	30	17-S	28-E		412	SOUTH	679	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	30	17-S	28-E		356	SOUTH	346	EAST	EDDY

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

30	SURFACE		<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p style="text-align: right;">Signature: <i>Mike Pippin</i> Date: 2/15/14</p> <p>Signature: _____ Date: _____</p> <p>Mike Pippin Printed Name</p>
			<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Date of Survey: 9/2/11</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Gary Eidson</p>
			<p>12641</p> <p>Certificate Number</p>

LIME ROCK RESOURCES	County	EDDY	Well Name	Anthony State #3	Field:	Redlake; Glorieta-Yeso NE	Well Sketch:	LRE Operating, LLC - Yeso
	Surface Lat:	32.798867°N	BH Lat:	55.72° S SHL	Survey:	Sec. 30, T17S-R28E	API #	30-015-39638
	Surface Long:	104.208116°W	BH Long:	332.6° E SHL		412' FSL & 679' FEL	OGRID #	281994

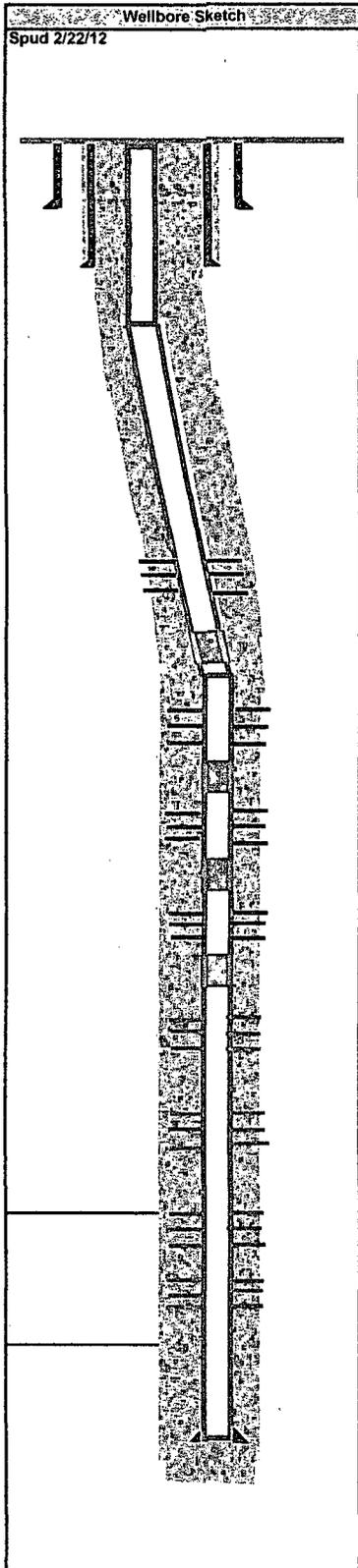
Directional Data:			
KOP	525'	MD/TVD	
Max Dev.:	16.7	1312' MD	1296' TVD
Dleg sev.:	4.89	2162' MD	2123' TVD
Dev @ Perfs	0.6	4486' MD	4447' TVD
Ret to Vert:	2350'	MD	2311' TVD

Tubular Data:							
Tubulars	Size	Weight	Grade	Thread	TVD	MD	TOC
Conductor	14"	55.5#	B	Weld	40'	40'	-
Surface	8 5/8"	24#	J-55	STC	466'	466'	SURF
Intermediate							
Production Liner	5 1/2"	17#	J-55	LTC	4,996'	5,036'	SURF

Wellhead Data:	
Type:	
WP:	
Tree Cap	Flange: Thread:
Tbg Hanger:	
BTM Flange:	
BPV Profile:	NA
Elevations:	GR - RKB = 13.4'
RKB:	3658.4
GL:	3,645.0'

Drilling / Completion Fluid:	
Drilling Fluid:	10 PPG Brine / Salt Gel
Drilling Fluid:	
Completion Fluid:	2% KCL
Completion Fluid:	
Packer Fluid:	NA

CEMENT DATA							
	Usks	Yld	Wt	T/sks	Yld	Wt	XS
Surface	315	1.33	14.8	NA	NA	NA	104 sx
Intermediate							
Liner							
Production	350	1.903	12.8	550	1.328	14.8	125 sx



Completion Information

DEPTHS (MD)/(TVD)	WELL INFO	PERFORATIONS			# of HOLES	DETAILS
		from	to			
0						
40'	20" Hole				14" Conductor Pipe	
466'	12-1/4" Hole				8-5/8" Surf Csg Circ 104 sx Cmt to surf	
525'	7-7/8" hole KOP				Kick off to 3"/100'	
1155' / 1145'	End Build				End Build - Start 16" Tangent	
1721' / 1690'	End Tangent - Start Drop				Drop - Start @ 3"/100'	
1818' / 1784'	Premier Sand					
2201' / 2162'	Middle San Andres					
2350' / 2310'	Return to Vertical				Return to vertical	
2810' / 2771'	Lower San Andres					
	Stage 4 San Andres	1,806'	2,076'	28	270' - See Frac Design	
2,140'	Composite Bridge Plug				CBP to isolate Stage 3 & 4	
	Stage 3 San Andres	2,232'	2,590'	38	358' - See Frac Design	
2,615'	Composite Bridge Plug				CBP to isolate Stage 2 & 3	
	Stage 2 San Andres	2,640'	2,978'	38	338' - See Frac Design	
3010'	Composite Bridge Plug				CBP to isolate Stage 1 & 2	
	Stage 1 San Andres	3,030'	3,244'	41	214' - See Frac Design	
3300'	Composite Bridge Plug				CBP to isolate Yeso & San Andres	
3270' / 3231'	Glorieta					
3361' / 3322'	Stage 4 Glorieta- U Yeso	3,361'	3,659'	60	298' Stg 4 (1 spf, 0.41" EHD or better, >31" Pen)	
3384' / 3345'	Lower Yeso (Paddock)				See Frac Designs for volume and lbs proppant	
3723' / 3684'	Lower Yeso (Blinbry)					
3726' / 3687'	Stage 3 L Yeso Frac	3726'	4,015'	44	289' Stg 3 (1 SPF, 0.41" EHD or better, >31" pen)	
					See Frac Design for volume and lbs proppant	
4095' / 4056'	Stage 2 L Yeso Frac	4095'	4,373'	44	279' Stg 2 (1&2 SPF, 0.41" EHD or better, >31" pen), See frac design for details	
4485' / 4446'	Stage 1 L Yeso Frac	4,485'	4,723'	42'	238' Stg 1 (2 SPF, 0.41" EHD or better, >31" pen)	
					See frac design for volume and lbs proppant	
4790' / 4751'	Tubb					
4993' / 4954'	PBTD					
5036' / 4997'	PROD CSG				5-1/2" Float Collar	
					5-1/2" Prod Csg. Circ 125 SX Cmt to Surf	

Comments: NM OCD CLP 0212180	Plug back-Depth:	4954' TVD	4993' MD
	Total Well Depth:	5000' TVD	5039' MD
	Prepared By:	Date:	
	Eric McClusky	10-Feb-14	