

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

2nd Copy

WELL API NO. 30-015-38511
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 #15
9. OGRID Number 281994
10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836) Red Lake, Queen-Grayburg-San Andres Ext. (51300)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3606' 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 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 J : 1746 feet from the South line and 1896 feet from the East line
Section 30 Township 17-S Range 28-E NMPM Eddy County

RECEIVED
 MAR 07 2014
 MOCD ARTESIA

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input checked="" type="checkbox"/>			
OTHER: <u>Recomplete to San Andres</u> <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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 Operating, LLC would like to recomplete this Yeso oil well to the San Andres as follows: MIRUSU. TOH w/rods, pump, & tbg. Set a 5-1/2" CBP @ ~3200' & PT to ~3500 psi. (Existing Yeso perms are @ 3300'-4600'). Perf lower San Andres @ ~2753'-3125' w/~42 holes. Stimulate with ~3800 gal 15% HCL acid & frac w/~118,000# 16/30 sand in 20# X-linked gel.

Set a 5-1/2" CBP @ ~2700' & PT to ~3500 psi. Perf middle San Andres @ ~2300'-2605' w/~33 holes. Stimulate with ~3100 gal 15% HCL acid & frac w/~91,000# 16/30 sand in 20# X-linked gel.

Set a 5-1/2" CBP @ ~2276' & PT to ~3500 psi. Perf upper San Andres @ ~2007'-2249' w/~29 holes. Stimulate with ~2500 gal 15% HCL acid & frac w/~80,000# 16/30 sand in 20# X-linked gel.

Set a 5-1/2" CBP @ ~1990' & PT to ~3500 psi. Perf upper San Andres @ ~1732'-1977' w/~26 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 @ 1990', 2276', 2700', 3200' & CO to ~PBD4736'. Land 2-7/8" production tbg @ ~4675'. Run pump & rods & release workover rig. Complete as a commingled Yeso/San Andres oil well. See the attached proposed wellbore diagram. **These two oil pools have a blanket DHC order (19.15.12.11E).**

Spud Date: 4/26/11 Drilling Rig Release Date: 5/9/11

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

SIGNATURE [Signature] TITLE Petroleum Engineer - Agent DATE 2/18/14

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

APPROVED BY: J. C. Shepard TITLE "Geologist" DATE 3-7-2014

Conditions of Approval (if any):
Must be in compliance with 5.9 before transporting/selling product

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

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

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-38511		² Pool Code 51300		³ Pool Name Red Lake, Queen, Grayburg, San Andres	
⁴ Property Code 309874		⁵ Property Name STALEY STATE			⁶ Well Number 15
⁷ OGRID No. 281994		⁸ Operator Name LRE OPERATING, LLC.			⁹ Elevation 3606' 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
J	30	17-S	28-E		1746	SOUTH	1896	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

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

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.

	<p>¹⁷ OPERATOR CERTIFICATION 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.</p> <p>Signature: <i>[Signature]</i> Date: 2/18/14</p> <p>Printed Name: Mike Pippin</p>
	<p>¹⁸ SURVEYOR CERTIFICATION 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.</p> <p>1/19/11 Date of Survey</p> <p>Signature and Seal of Professional Surveyor: Gary Eidson</p>
	<p>12641 Certificate Number</p>

Ind copy