

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

Form C-103
Revised July 18, 2013

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| 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.) | | WELL API NO. 30-015-42162 |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator LRE OPERATING, LLC | | 6. State Oil & Gas Lease No. |
| 3. Address of Operator c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401 | | 7. Lease Name or Unit Agreement Name KERSEY STATE |
| 4. Well Location Unit Letter <u>P</u> : <u>400</u> feet from the <u>South</u> line and <u>330</u> feet from the <u>East</u> line Section <u>32</u> Township <u>17-S</u> Range <u>28-E</u> NMPM <u>Eddy</u> County | | 8. Well Number #7 |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3664' GL | | 9. OGRID Number 281994 |
| | | 10. Pool name or Wildcat Artesia, Glorieta-Yeso (96830) |

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: Completion ☒

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.

On 9/24/14, MIRUSU. Drilled out cmt from 4961' to PBTD5090'. On 10/20/14, PT 5-1/2" csg to 4000 psi for 5 min-OK. Perfed lower Yeso @ 4396', 4404', 12', 22', 36', 44', 54', 66', 80', 90', 4500', 10', 20', 30', 40', 50', 62', 74', 86', 97', 4610', 28', 40', 55', 69', 80', 90', 4700', 10', 20', 30', 40' w/1-0.41" spf. Total 32 holes. Treated w/1572 gal 7.5% HCL acid. On 10/24/14, fraced Yeso w/23,043# 100 mesh & 189,604# 40/70 Wisconsin sand in slick water. Set 5-1/2" CBP @ 4350' & PT CBP & 5-1/2" csg to 3500 psi-OK. Perfed Yeso @ 4026', 36', 47', 60', 68', 78', 88', 98', 4110', 20', 30', 40', 50', 60', 70', 78', 88', 4200', 08', 20', 31', 42', 51', 60', 70', 83', 92', 4300' w/1-0.41" spf. Total 28 holes. Treated w/1664 gal 7.5% HCL acid & fraced w/18,282# 100 mesh & 153,274# 40/70 Wisconsin sand in slick water. Set 5-1/2" CBP @ 4003' & PT CBP & 5-1/2" csg to 3500 psi-OK. Perfed Yeso @ 3755', 60', 65', 70', 75', 80', 85', 90', 95', 3800', 05', 10', 15', 20', 25', 30', 35', 40', 45', 50', 54', 66', 76', 90', 3906', 14', 22', 32', 42', 51', 58', 65', 74', 80' w/1-0.41" spf. Total 34 holes. Treated w/1590 gal 7.5% HCL acid & fraced w/15,792# 100 mesh & 128,542# 40/70 Wisconsin sand in slick water. On 10/25/14, MIRUSU. CO after frac, drilled out CBPs @ 4003' & 4350', & CO to PBTD5090'. On 10/29/14, landed ESP on 2-7/8" 6.5# J-55 tbg @ 3557'. Released completion rig on 10/29/14.

Spud Date: 9/16/14

Drilling Rig Release Date: 9/21/14

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 10/30/14

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

For State Use Only

APPROVED BY: [Signature] TITLE DIST. H. Supervisor DATE 11/4/2014
Conditions of Approval (if any):

NM OIL CONSERVATION

ARTESIA DISTRICT

OCT 31 2014

RECEIVED