

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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. 30-015-42726
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 <b>LRE OPERATING, LLC</b>		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 <b>STALEY STATE</b>
4. Well Location Unit Letter <u>O</u> : <u>505</u> feet from the <u>South</u> line and <u>2140</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		8. Well Number <b>#29</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3639' GL		9. OGRID Number 281994
		10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836)

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: Spud & Casings ☒

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.

Spud well on 11/22/14. Drilled 11" hole to 430'. Landed 8-5/8" 24# J-55 csg @ 417'. Cmted w/250 sx (338 cf) "C" cmt w/2% Cacl2, & 1/4#/sx cello-flake. Circ 100 sx cmt to surface. On 11/24/14, PT 8-5/8" csg to 600 psi for 30 min – OK.

Drilled 7-7/8" hole to TD5100' on 11/27/14. Landed 5-1/2" 17# J-55 csg @ 5076'. Cmted lead w/330 sx (627 cf) 35/65 poz C cmt w/5% salt, 0.125# CF, 6% gel, & 0.2% R-3. Tailed w/625 sx (825 cf) "C" cmt w/0.5% PF-13, 2% PF-167, 0.2% PF-65, & 0.125# PF-29. Circ 132 sx cmt to pit. Ran cased hole logs. Released drilling rig on 11/29/14. Plan to pressure test the 5-1/2" csg before completion operations.

Spud Date: 11/22/14

Drilling Rig Release Date: 11/29/14

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 11/29/14

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 #1 SUPERVISOR DATE 12/11/14

Conditions of Approval (if any):