

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
NM OIL CONSERVATION

ARTESIA DISTRICT

OIL CONSERVATION DIVISION

DEC 29 2014
20 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

WELL API NO.

30-015-42727

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

STALEY STATE

8. Well Number #30

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 ☒ 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 N : 850 feet from the South line and 1680 feet from the West lineSection 30 Township 17-S Range 28-E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3622' 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: 1st Delivery & IP Test ☒

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.

This new Yeso oil well was 1st Delivered on 11/30/14 with its IP Test on 12/15/14 for 100 BOPD, 80 MCF/D, & 643 BWPD.

Spud Date: 11/7/14

Drilling Rig Release Date: 11/14/14

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 12/16/14Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573**For State Use Only**APPROVED BY: Dr. J. S. Seperson TITLE Dr. J. S. Seperson DATE 1/6/15

Conditions of Approval (if any):