

Submit 1 Copy To Appropriate District  
 Office of **NM OIL CONSERVATION**  
 District I - (575) 383-6161  
 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) 327-5400  
 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

WELL API NO. 30-015-40989
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 <b>STALEY STATE</b>
8. Well Number #21
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.) 3615' 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 I : 1655 feet from the South line and 330 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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
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 checked="" 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 &amp; DHC</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 & DHC as follows: MIRUSU. TOH w/rods, pump, & tbg. Set a 5-1/2" CBP @ ~3250' & PT to ~3500 psi. (Existing Yeso perms are @ 3310'-4580'). Perf lower San Andres @ ~2766'-3111' w/~35 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~303,030# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2700' & PT to ~3500 psi. Perf San Andres @ ~2238'-2641' w/~40 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~347,130# 40/70 Ottawa sand in slick water.

Set a 5-1/2" CBP @ ~2150' & PT to ~3500 psi. Perf upper San Andres @ ~1758'-1993' w/~37 holes. Stimulate with ~1500 gal 15% HCL acid & frac w/~30,000# 100 mesh & ~119,700# 40/70 Ottawa sand in slick water.

CO after frac & drill out CBPs @ 2150' & 2700', & CO to CBP @ 3250'. Run 2-7/8" 6.5#J-55 production tbg & land @ ~3155'. Run pump & rods. Release workover rig. Complete as a single San Andres oil well. See the attached proposed wellbore diagram. Following a test of the San Andres alone, the CBP @ 3250' will be removed & the well DHC as per order ART-4609-Z.

Spud Date: 3/3/13 Drilling Rig Release Date: 3/10/13

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 5/6/15

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

**For State Use Only**

APPROVED BY: [Signature] TITLE Scott P. Spewison DATE 5/8/15

Conditions of Approval (if any):

	County	EDDY	Well Name	Staley State #21	Field: Redlake	Redlake	Well Sketch:	AFE R15024
	Surface Lat:	32.8022519°N	BH Lat:	32.8022519°N	Survey:	S30-T175-R28E Unit I	LRE Operating, LLC	API # 30-015-40989
	Surface Long:	104.2068815°W	BH Long:	104.2068815°W		1655' FSL & 330' FEL	OGRID # 281994	

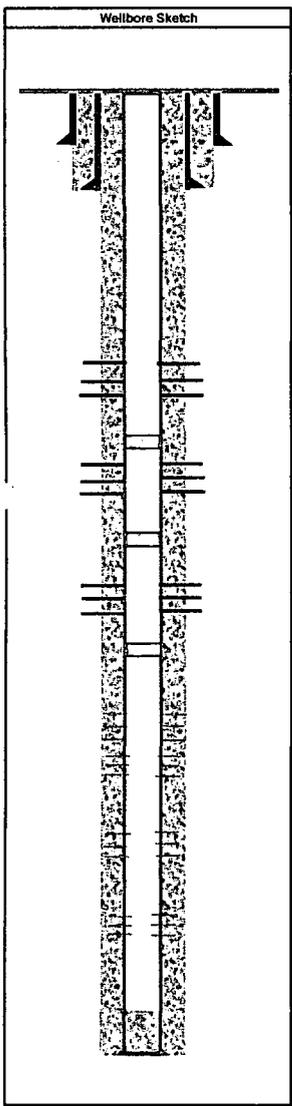
Directional Data:	
KOP	Vertical Well
Max Dev.:	
Diag sev.:	
Dev @ Perfs	
Ret to Vert:	

Tubular Data							
Tubulars	Size	Weight	Grade	Thread	TVD	MD	TOC
Conductor	20"	91.5#	B	Weld 40'	40'	40'	SURF
Surface	8 5/8"	24#	J-55	STC	430'	430'	SURF
Intermediate							
Production	5 1/2"	17#	J-55	LTC	4958'	4958'	SURF
Liner							

Wellhead Data	
Type:	
WP:	
Flange:	
Tree Cap	
Thread:	
Tbg Hanger:	
BTM Flange:	
BPV Profile:	NA
Elevations:	GR - RKB = 13.4'
RKB:	3628.4
GL:	3,615.0'

Drilling / Completion Fluid	
Drilling Fluid:	10.2 PPG Brine / Salt Gel
Drilling Fluid:	
Completion Fluid:	2% KCL
Completion Fluid:	
Packer Fluid:	NA

CEMENT DATA							
	Lbs	Yld	Wt	T/bks	Yld	Wt	XS
Surface	330	1.35	14.8	NA	NA	NA	196 ex
Intermediate							
Liner							
Production	350	1.9	12.8	600	1.33	14.8	187 ex



Completion Information					DETAILS	
DEPTHS (MD)	FORMATION TOPS / WELL INFO	PERFORATIONS		# of HOLES		
		from	to			
0						
40'	26" Hole				20" Conductor Pipe	
430'	12-1/4" Hole				8-5/8" Surf Csg Circ 196 ex Cmt to surf	
1803'	San Andres					
2 7/8" tbg, TAC at 1658', SN at 3120', 4' slotted sub, 1 Jt MA w BP at 3135'						
Tenaris Rods w T-couplings; 89- 7/8" KD, 32- 3/4" KD, 4- 1.5" kbars, 2.5"x2"x20' RHBC-HVR Pump						
Lufkin 912-365-168- 50 HP, 168" SL at 8 SPM						
	San Andres	1,758'	1,993'	35	78', 1500 g 15% HCL, 4,114 bbls water	
CBP at 2150'						
	San Andres	2,238'	2,841'	40	30,000 # 100 Mesh, 119,700 # 40/70 Ottawa	
80 + BPM						
					403', 1500 g 15% HCL, 7,714 bbls water	
CBP at 2700'						
	San Andres	2,766'	3,111'	35	30,000 # 100 Mesh, 347,130 # 40/70 Ottawa	
80 + BPM						
					345', 1500 g 15% HCL, 7,114 bbls water	
CBP at 3250'						
3178'	Glorieta				301' Stg 4 - See Frac Design	
3,310'	Yeso				283' Stg 3 - See Frac Design	
	Stage 4 U. Yeso Frac	3310'	3611'	53		
	Stage 3 L. Yeso Frac	3668'	3951'	33		
					301' Stg 2 - See Frac Design	
	Stage 2 L. Yeso Frac	4000'	4301'	37		
					231' Stg 1 - See Frac Design	
	Stage 1 L. Yeso Frac	4350'	4581'	29		
4700'	Tubb				above 5-1/2' Float Collar	
4958'	PROD CSG				5-1/2" Prod Csg. Circ 187 SX Cmt to Surf	
Comments: NM OCD CLP 0213832					Plug back Depth:	MD
					Total Well Depth:	4965' 4965' MD
					Prepared By:	Date:
					Eric McClusky	5-May-15

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Santa Fe, NM 87505

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

MAY 08 2015

RECEIVED

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-015-40989	<sup>2</sup> Pool Code 51300	<sup>3</sup> Pool Name Red Lake, Queen-Grayburg-San Andres
<sup>4</sup> Property Code 39648	<sup>5</sup> Property Name STALEY STATE	
<sup>7</sup> OGRID No. 281994	<sup>8</sup> Operator Name LRE OPERATING, LLC.	<sup>6</sup> Well Number 21
<sup>9</sup> Elevation 3615' GL		

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	30	17-S	28-E		1655	SOUTH	330	EAST	EDDY

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<p>30</p> <p>SURFACE →</p> <p>330'</p> <p>1655'</p>	<p><sup>17</sup> <b>OPERATOR CERTIFICATION</b></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>Signature: <u>Mike Pippin</u> Date: 5/6/15</p> <p>Printed Name: <u>Mike Pippin</u></p>
	<p><sup>18</sup> <b>SURVEYOR CERTIFICATION</b></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: 12/27/12</p> <p>Signature and Seal of Professional Surveyor: Filmon F. Jaramillo</p> <p>Certificate Number: 12797</p>