

District I 1625 N. French Dr., Hobbs, NM 88240
District II 1301 W. Grand Ave., Artesia, NM 88210
District III 1000 Rio Brazos Rd., Aztec, NM 87410
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

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

WELL API NO. 30-015-41063
5. Indicate Type of Lease STATE [X] FEE [ ]
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name STALEY STATE
8. Well Number #22
9. OGRID Number 281994
10. Pool name or Wildcat Red Lake, Glorieta-Yeso NE (96836) Red Lake, Queen-Grayburg-San Andres(51300)

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 [X] 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 : 2310 feet from the SOUTH line and 2175 feet from the EAST line Section 30 Township 17-S Range 28-E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3593' 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 [X] OTHER: [ ]
SUBSEQUENT REPORT OF: REMEDIAL WORK [ ] ALTERING CASING [ ] COMMENCE DRILLING OPNS [ ] P AND A [ ] CASING/CEMENT JOB [ ] OTHER: Recompleted To San Andres [X]

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

LRE has recompleted this Yeso oil well to the San Andres as follows: On 6/12/15, MIRUSU. TOH w/rods, pump, & tbg. RDSU. Set 5-1/2" CBP @ 3250' & PT 5-1/2" csg & CBP to 3500 psi-OK. (Existing Yeso perfs are @ 3305'-4550'). Perfed lower San Andres @ 2782'-3111' w/33-0.42" holes. On 6/18/15, treated w/1501 gal 15% HCL acid & fraced lower San Andres w/33,009# 100 mesh & 297,610# 40/70 Wisconsin sand in slick water. Set 5-1/2" CBP @ 2700'. PT CBP & 5-1/2" csg to 3500 psi-OK. Perfed middle San Andres @ 2203'-2574' w/38-0.42" holes. Treated perfs w/1498 gal 15% HCL acid & fraced w/30,578# 100 mesh & 343,035# 40/70 Wisconsin sand in slick water. Set 5-1/2" CBP @ 2100' & PT CBP & 5-1/2" csg to 3500 psi-OK. Perfed upper San Andres @ 1740'-1970' w/37-0.42" holes. Treated perfs w/1565 gal 15% HCL acid & fraced w/30,766# 100 mesh & 111,050# 40/70 Wisconsin sand in slick water. On 6/19/15, MIRUSU. Drilled CBPs @ 2100', 2700', & CO to CBP @ 3250'. On 6/22/15, landed 2-7/8" 6.5# J-55 tbg @ ~2962'. Ran pump & rods. Released completion rig on 6/23/15. Completed the well as a single San Andres oil well. Following a test on the San Andres alone, the CBP @ 3250' will be removed and the well DHC as per State order ART-4609-Y.

Spud Date: 5/4/13 Drilling Rig Release Date: 5/9/13

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 6/26/15
Type or print name Mike Pippin E-mail address: mike@pippinllc.com PHONE: 505-327-4573

For State Use Only

APPROVED BY: [Signature] TITLE DISTRICT SUPERVISOR DATE 7/1/2015
Conditions of Approval (if any):