

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

00D Artesia

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMLC046250B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
LRE OPERATING LLC
Contact: MIKE PIPPIN
E-Mail: mike@pippinllc.com

3a. Address
1111 BAGBY SUITE 4600
HOUSTON, TX 77002

3b. Phone No. (include area code)
Ph: 505-327-4573

8. Well Name and No.
WILLIAMS B FEDERAL 11

9. API Well No.
30-015-41889-00-S1

10. Field and Pool, or Exploratory
ARTESIA

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 29 T17S R28E SENW 2300FNL 1650FWL
32.805921 N Lat, 104.200403 W Lon

11. County or Parish, and State
EDDY COUNTY, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize <input type="checkbox"/> Deepen <input type="checkbox"/> Production (Start/Resume) <input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing <input type="checkbox"/> Fracture Treat <input type="checkbox"/> Reclamation <input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair <input type="checkbox"/> New Construction <input checked="" type="checkbox"/> Recomplete <input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans <input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection <input type="checkbox"/> Plug Back <input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

THIS IS A REQUEST TO RECOMPLETE THIS YESO WELL TO THE SAN ANDRES.

MIRUSU. TOH w/rods, pump, & tbg. Set a 5-1/2" CBP @ ~3300' & PT to ~3500 psi. (Existing Yeso perms are at 3370'-3510'). Perf upper SA @ ~2750'-3087' w/~33 holes. Treat new perms w/~1500 gal 15% HCL & frac w/~30,000# 100 mesh & ~282,240# 40/70 Ottawa sand in slick water. Set a 5-1/2" CBP @ ~2725' & PT to ~3500 psi. Perf middle SA @ ~2400'-2701' w/~31 holes. Treat new perms w/~1500 gal 15% HCL & frac w/~30,000# 100 mesh & ~257,040# 40/70 Ottawa sand in slick water. Set a 5-1/2" CBP @ ~2362' & PT to ~3500 psi. Perf lower SA @ ~1887'-2325' w/~35 holes. Treat new perms w/~1500 gal 15% HCL & frac w/~30,000# 100 mesh & ~198,240# 40/70 Ottawa sand in slick water. CO after frac & drill out CBPs @ 2362' & 2725', & CO to CBP @ 3300'. Land 2-7/8" 6.5# J-55 production tbg @ ~3135'. Run pump & rods. Release workover rig. Complete as a single San Andres

NM OIL CONSERVATION
ARTESIA DISTRICT
JUL 10 2015

RECEIVED

Accepted for record

NMOC D 7/30/15

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #291428 verified by the BLM Well Information System
For LRE OPERATING LLC, sent to the Carlsbad
Committed to AFMSS for processing by CATHY QUEEN on 06/10/2015 (15CQ0228SE)

Name (Printed/Typed) MIKE PIPPIN Title PETROLEUM ENGINEER

Signature (Electronic Submission) Date 02/12/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ Title PETROLEUM ENGINEER

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office Carlsbad

APPROVED
JUL 7 2015
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

** BLM REVISED **

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Additional data for EC transaction #291428 that would not fit on the form

32. Additional remarks, continued

oil well. See the attached wellbore diagram. Following a test of the SA alone and the approval of both the State & BLM DHC applications, the CBP @ 3300' will be removed and the well DHC.

	County	EDDY	Well Name	Williams B Federal #11	Field:	Redlake Glorieta-Yeso NE	Well Sketch:	AFE R15008 LRE Operating, LLC
	Surface Lat:	32.8059209°N	BH Lat:	32.8059209°N	Survey:	S29-T17S-R28E Unit F	API #	30-015-41889
	Surface Long:	104.2004031°W	BH Long:	104.2004031°W		2300' FNL & 1650' FWL	OGRID #	281994

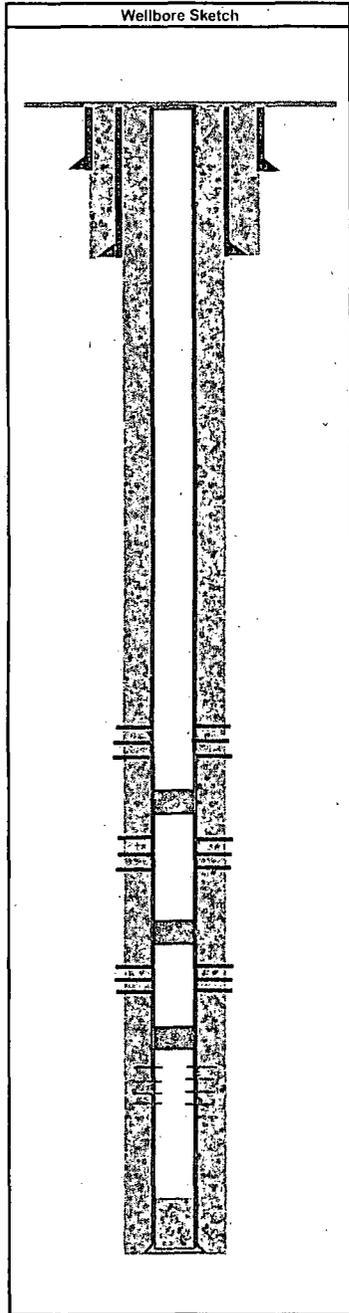
Directional Data:			
KOP			
Max Dev.:			
Dirg sev:			
Dev @ Perfs			
Ret to Vert:			

Tubular Data							
Tubulars	Size	Weight	Grade	Thread	TVD	MD	TOC
Conductor	14"	68.7#	B	Weld	40'	40'	SURF
Surface	8 5/8"	24#	J-55	STC	438'	438'	SURF
Intermediate							
Production	5 1/2"	17#	J-55	LTC	3,536'	3,536'	SURF
Liner							

Wellhead Data	
Type:	
WP:	
Tree Cap	Flange:
	Thread:
Tbg Hanger:	
8TM Flange:	
BVP Profile:	NA
Elevations:	GR - RKB = 11.8'
RKB:	3658.9
GL:	3,647.1'

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

CEMENT DATA							
	L/sks	Yld	Wt	T/sks	Yld	Wt	XS
Surface	300	1.35	14.8	NA	NA	NA	84 sx
Intermediate							
Liner							
Production	310	1.9	12.8	375	1.33	14.8	131 sx



Completion Information						
DEPTHS (MD)	FORMATION TOPS / WELL INFO	PERFORATIONS		# of HOLES	DETAILS	
		from	to			
0						
40'	20" Hole				14" Conductor Pipe	
438'	12 1/4" Hole				8-5/8" Surf Csg Circ 84 sx Cmt to surf	
559'	Seven Rivers					
1,125'	Queen					
1,538'	Grayburg					
1,854'	San Andres					
Lufkin 320-256-120 - 30 HP Motor						
2 7/8" tbg, TAC at 1787', SN at 3100', 4' slotted sub, 1 jt MA w BP at 3135'						
71- 1" KD, 49- 7/8" KD, 4-1.5" Kbars, 2.5"x2"x20' RHBC-HVR Pump, 102' SL, 8 SPM						
	San Andres	1,887'		2,325'	35	343' Pay, 1500g15%HCL, 30,000 # 100 Mesh 198,240 # 40/70, 7300 bbbls water, 80 + BPM
CBP at 2362'						
	San Andres	2,400'		2,701'	31	301', 1500 g 15% HCL, 30,000 # 100 Mesh 257,040 # 40/70, 8100 bbbls water, 80 + BPM
CBP at 2725'						
	San Andres	2,750'		3,087'	33	337', 1500 g 15% HCL, 30,000 # 100 Mesh 282,240 # 40/70, 8400 bbbls water, 80 + BPM
3,232'	Glorieta					
CBP at 3300'						
3,342'	Yeso					141'; 73k # 16/30 Brady & 18k # 16/30 Resin 25# Xlink gel, 65 BPM, 2,000 g 15% HCL above 5-1/2" Float Collar
	Stage 1 Yeso Frac	3,370'		3,511'	35	
	PBDT					
3,536'	PROD CSG					5-1/2" Prod Csg. Circ 131 SX Cmt to Surf
Comments: NM OCD CLP				Plug back Depth:	MD	
				Total Well Depth:	3536' TVD 3536' MD	
				Prepared By:	Date:	
				Eric McClusky	11-Feb-15	

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

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-41889	² Pool Code 97253	³ Pool Name Red Lake, San Andres
⁴ Property Code 309867	⁵ Property Name WILLIAMS B FEDERAL	
⁷ OGRID No. 281994	⁸ Operator Name LRE OPERATING, LLC.	⁶ Well Number 11
		⁹ Elevation 3647' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	29	17-S	28-E		2300	NORTH	1650	WEST	EDDY

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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. 2627.42'

2647.07'

	¹⁷ OPERATOR CERTIFICATION <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 style="text-align: right;">2/12/15</p> <p>Signature _____ Date _____</p> <p>Mike Pippin Printed Name</p>
	¹⁸ SURVEYOR CERTIFICATION <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>5/20/13</p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: Filmon F. Jaramillo</p> <p>12797</p> <p>Certificate Number _____</p>

Conditions of Approval

San Andres

LRE Operating, LLC

Williams B Federal- 11

API 3001541889, T17S-R28E, Sec 29

July 7, 2015

1. The "Williams A & B Field Study of the Yeso & San Andres" dated 11/23/2013 reviewed and Approved by EGF on 01/27/2014 has been accepted by BLM CFO as justification for a downhole pool comingling project on the Williams A and Williams B federal leases. The Yeso is currently capable of production in paying quantities and is to be produced until that formation's economic limits are achieved. This being said, the combined formations should increase field production.
2. Closed loop system required.
3. Surface disturbance beyond the originally approved pad must have prior approval.
4. Allocation data must be obtained before comingling. The current Yeso production to be isolated and the San Andres tested.
5. A new "Well Location and Acreage Dedication Plat" (NMOCD Form C-102) is required with the notice of intent package when opening another pay zone.
6. A subsequent sundry detailing work done and a completion report for the San Andres formation is necessary.
7. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
8. Functional H₂S monitoring equipment shall be on location.
9. 2000 (2M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Ram(s) for the work string(s) used is required equipment. Manual BOP closure system including a blind ram and pipe ram(s) designed to close on all (hand wheels) equipment shall be installed regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related

equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.

10. Operators procedure approved as written with the following additions:

11. After setting the isolation plug above the Yeso and before perforating, perform a (charted) casing integrity test of 700psig. Verify all annular casing vent valves are open to the surface during this pressure test. Pressure leakoff may require correction for approval. Include a copy of the chart in the subsequent sundry for this workover.

12. Provide BLM with an electronic copy (Adobe Acrobat Document) of any existing cement bond log record. The CBL may be attached to a pswartz@blm.gov email.

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.