

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CCC 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.
NMNM048344

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
WILLIAMS A FEDERAL 12

2. Name of Operator
LRE OPERATING LLC

Contact: MIKE PIPPIN
E-Mail: mike@pippinllc.com

9. API Well No.
30-015-41890-00-S1

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

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

10. Field and Pool, or Exploratory
ARTESIA

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 29 T17S R28E SESW 0330FSL 2200FWL
32.789710 N Lat, 104.198683 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 @ ~3450' & PT to ~3500 psi. (Existing Yeso perfs are at 3536'-3618'). Perf lower SA @ ~2920'-3291' w/~38 holes. Treat new perfs w/~1500 gal 15% HCL & frac w/~30,000# 100 mesh & ~311,430# 40/70 Ottawa sand in slick water. Set a 5-1/2" CBP @ ~2850' & PT to ~3500 psi. Perf middle SA @ ~2461'-2779' w/~33 holes. Treat new perfs w/~1500 gal 15% HCL & frac w/~30,000# 100 mesh & ~271,530# 40/70 Ottawa sand in slick water. Set a 5-1/2" CBP @ ~2330' & PT to ~3500 psi. Perf upper SA @ ~1980'-2201' w/~32 holes. Treat new perfs w/~1500 gal 15% HCL & frac w/~30,000# 100 mesh & ~119,700# 40/70 Ottawa sand in slick water. CO after frac & drill out CBPs @ 2330' & 2850', & CO to CBP @ 3450'. Land 2-7/8" 6.5# J-55 production tbg @ ~3335'. Run pump & rods. Release workover rig. Complete as a single San Andres oil well. See the attached wellbore diagram & C-102 for the new pool. Following a test of the SA alone

NM OIL CONSERVATION
ARTESIA DISTRICT

JUL 10 2015

RECEIVED

C102? Accepted for record
RD NMOC 7/30/15

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

Electronic Submission #299354 verified by the BLM Well Information System
For LRE OPERATING LLC, sent to the Carlsbad
Committed to AFMSS for processing by ED FERNANDEZ on 07/07/2015 (15EF0032SE)

Name (Printed/Typed) MIKE PIPPIN Title PETROLEUM ENGINEER

Signature (Electronic Submission) Date 04/27/2015

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By EDWARD FERNANDEZ Title PETROLEUM ENGINEER

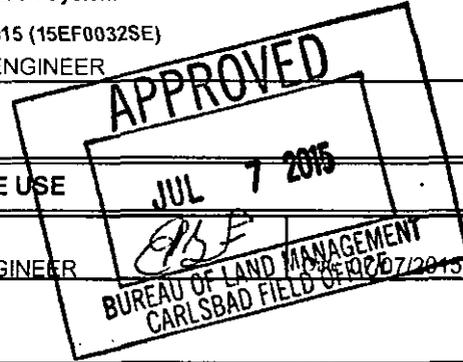
Office Carlsbad

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.

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 ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**



Additional data for EC transaction #299354 that would not fit on the form

32. Additional remarks, continued

and the approval of both the State & BLM DHC applications, the CBP @ 3450' will be removed and the well DHC.

	County	EDDY	Well Name	Williams A Federal #12	Field:	Redlake Glorieta-Yeso NE	Well Sketch:	AFE R15022 LRE Operating, LLC
	Surface Lat:	32.7987095°N	BH Lat:	32.7977067°N	Survey:	S29-T17S-R28E Unit N	API #	30-015-41890
	Surface Long:	104.1986826°W	BH Long:	104.2058501°W		330° FSL & 2200' FWL	OGRID #	281994

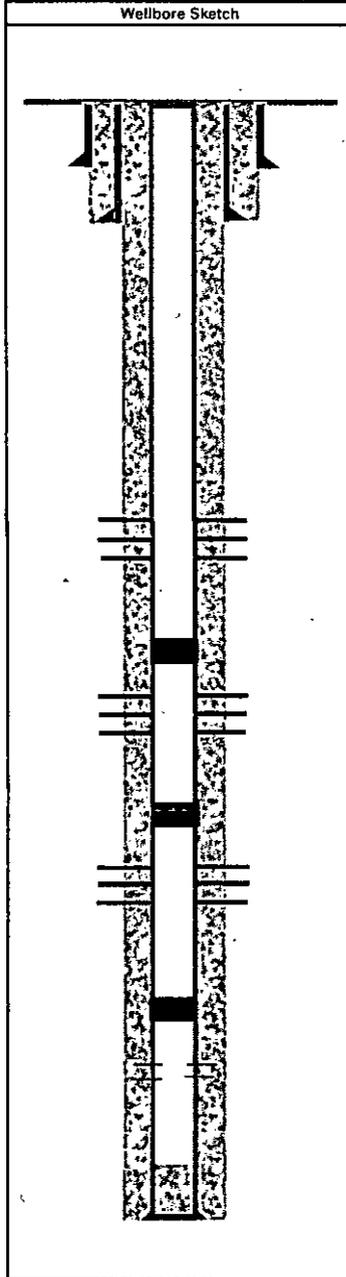
Directional Data:	
KOP	600'
Max Dev.:	28.4
Diag sev.:	5.8
Dev @ Perfs	0.4
Ret to Vert:	2434'

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	437'	437'	SURF
Intermediate							
Production	5 1/2"	17#	J-55	LTC	3,585'	3,694'	SURF
Liner							

Wellhead Data	
Type:	
WP:	
Tree Cap:	Flange:
	Thread:
Tbg Hanger:	
8TM Flange:	
BPV Profile:	NA
Elevations:	GR - RKB = 11.8'
RKB:	3721.6
GL:	3,709.8'

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	25 sx
Intermediate							
Liner							
Production	300	1.9	12.8	335	1.33	14.8	150 sx



Completion Information					
DEPTHS (MD)	FORMATION TOPS / WELL INFO	PERFORATIONS		# of HOLES	DETAILS
0		from	to		
40'	20" Hole				14" Conductor Pipe
437'	12 1/4" Hole				8-5/8" Surf Csg Circ 25 sx Cmt to surf
636'	Seven Rivers				
1,238'	Queen				
1,713'	Grayburg				
2,045'	San Andres				
2 7/8" tbg, TAC at 1880', SN at 3300', 4' slotted sub, 1 jt MA wBP at 3335'					
21-1" KD rods, 44- 1" KD 5 guides/rod, 24- 7/8" KD 5 guides/rod, 39- 7/8" KD rods, 4- 1.5" kbars. 2.5"x2"x20" RHBC-HVR pump					
Weatherford ALX 320-256-120 Pumping Unit- 30 HP Motor, 100" SL at 8 SPM					
	San Andres	1,980'	2,201'	32	221', 1500 g 15% HCL, 4,114 bbls water
					30,000 # 100 Mesh, 119,700 # 40/70 Ottawa
					80 + BPM
CBP at 2330'					
	San Andres	2,461'	2,779'	33	318', 1500 g 15% HCL, 6,614 bbls water
					30,000 # 100 Mesh, 271,530 # 40/70 Ottawa
					80 + BPM
CBP at 2850'					
	San Andres	2,920'	3,291'	38	371', 1500 g 15% HCL, 7,214 bbls water
					30,000 # 100 Mesh, 311,430 # 40/70 Ottawa
					80 + BPM
3,430'	Glorieta				
CBP at 3450'					
3,536'	Yeso				
	Stage 1 Yeso Frac	3,536'	3,619'	42	83' Stg1 - See Frac Design
	PBTD				above 5-1/2" Float Collar
3,694'	PROD CSG				5-1/2" Prod Csg Circ 150 SX Cmt to Surf
Comments: NM OCD CLP				Plug back Depth:	MD
				Total Well Depth:	3591' TVD 3700' MD
				Prepared By:	Date:
				Eric McClusky	21-Apr-15

Conditions of Approval

San Andres

LRE Operating, LLC

Williams A Federal- 12

API 3001541890, 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.