

HOBBS OCD

New Mexico Oil Conservation Division, District I

Form 3160
(August 2007)

FEB 20 2012

UNITED STATES

1625 N. French Drive
Hobbs, NM 88240DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

RECEIVED

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.**SUBMIT IN TRIPLICATE – Other Instructions on page 2.**

1 Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5 Lease Serial No NMNM36490
2 Name of Operator LRE Operating, LLC		6 If Indian, Allottee, or Tribe Name
3a Address 1111 Bagby - Suite 4600, Houston, TX 77002	3b Phone No (include area code) 713-292-9510	7 If Unit or CA/Agreement, Name and/or No
4 Location of Well (Footage, Sec., T., R., M., or Survey Description) 766 FNL 1874 FWL; C-21-08S-38E		8 Well Name and No FLATSEDGE ZR FEDERAL 1
		9 API Well No 3004120736
		10 Field and Pool, or Exploratory Area BLUITT; SAN ANDRES
		11 County or Parish, State ROOSEVELT, NM

12 CHECK THE 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"/> Altering 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 type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Change of Operator	
	<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 of the proposal. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and attach the Bond under which the work will be performed or provide the Bond No. on file with the BLM/ BIA. Required subsequent reports must be filed within following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamantion, have been completed, and the operator determined that the site is ready for final inspection.)

This is notification of Change of Operator on the above referenced well.

LRE Operating, LLC as new operator, accepts all applicable terms, conditions, stipulations and restrictions concerning operations conducted on this lease or portion of lease described.

Bond Coverage: BLM Bond File No. NMB000797 and Bond Surety No. B006616.

Bond Coverage (Carlsbad): BLM Bond File No. NMB000817 and Bond Surety No. B006679.

Change of Operator Effective November 16, 2011

Former Operator: Lime Rock Resources A, L.P.

14 I hereby certify that the foregoing is true and correct Name (Printed/ Typed) C. Tim Miller		Title Chief Operating Officer
Signature <i>C. Tim Miller</i>		Date 11/16/11

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /S/ DAVID R. GLASS	Title PETROLEUM ENGINEER	Date FEB 15 2012
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 ROSWELL 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 fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

FEB 22 2012