District I

1625 N French Dr , Hobbs, NM 88240 Phone (575) 393-6161 Fax (575) 393-0720

District II

811 S First St , Artesia, NM 88210 Phone (575) 748-1283 Fax (575) 748-9720 District III

1000 Rio Brazos Road, Aztec, NM 87410 Phone (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S St Francis Dr , Santa Fe, NM 87505 Phone (505) 476-3460 Fax (505) 476-3462

Form C-101 Revised December 16, 2011

Permit

-c//.

State of New Mexico **Energy Minerals and Natural Resources**

Oil Conservation Division

HOBBS OCD

1220 South St. Francis Dr.

MAY 1 7 2012

Santa Fe, NM 87505

RECEIVED

APPLICATION FOR PERMIT TO DRILL.	RE-ENTER.	DEEPEN, PL	UGBACK, OR	ADD A ZONE
, , , , , , , , , , , , , , , , , , ,	, , , _ , _ , _ , _ , _ ,	,		

Operator Name and Address LRE OPERATING, LLC						² OGRID Number 281994			
c/o Mike Pippin LLC, 3104 N. Sullivan, Farmington, NM 87401						³ API Number 30-025-35150)		
	rty Code 09894		Property Name BIMINI 13 STATE				° We	11 No. 4	
⁷ Surface Location									
UL - Lot F	Section 13	Township 17-S	Range 35-E	Lot Idn	Feet from 2225	N/S Line North	Feet From 2310	E/W Line West	County Lea

8 Pool Information

	NC-023 9-0	17 5/1/35/3/7/6	LOICIETA	9777		
Additional Well Information						
9 Work Type	¹⁰ Well Type	11 Cable/Rotary	12 Lease Type	13 Ground Level Elevation		
A&P	0	R	S	3919'		
14 Multiple	15 Proposed Depth	¹⁶ Formation	17 Contractor	18 Spud Date		
N	6300'	Glorieta		9/25/00		
Depth to Ground water 1000'	Distance from neare	est fresh water well >1000'	Distance to	nearest surface water >1000'		

19 Proposed Casing and Cement Program

Туре	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
*Surface	12-1/4"	8-5/8"	23#	1792'	700	Surface
*Prod.	7-7/8"	4-1/2"	11.6#	7320'	1003	??
*Existing						CBL stopped @ 5000".

Casing/Cement Program: Additional Comments

LRE OPERATING, LLC would like to recomplete to the Glorieta as follows: MIRUSU. TOH w/all production equipment. Set 4-1/2" CIBP @ ~6300'. (Blinebry perfs @ 6342'-7272'). PT 4-1/2" csg & CIBP to 1000 psi for 15 min. Perf Glorieta @ ~6156'-64', 6184'-88', & 6192'-6208' w/about 59 holes. W/4-1/2" pkr set @ ~6050' on 2-3/8" tbg stimulate new perfs w/about 3000 gal 15% HCL acid & about 100 RCN perf balls. TOH w/tbg & pkr. Swab test well. Land 2-3/8" 4.7# J-55 production tbg @ ~6280'. Run pump & rods & release service unit. Complete as a single wildcat Glorieta oil well. See attached wellbore diagrams.

Proposed Blowout Prevention Program Working Pressure Type Test Pressure Manufacturer 2000# 2000# Permit Expires 2 Years From Approval

		Date Unless Drilling Underwa
I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines, a general permit, or an (attached) alternative OCD-approved plan (Closed Loop). Signature:		OIL CONSERVATION DIVISION
		Approved By:
Printed name: Mike Pippin	77	Title: PETHOLEUM BNGWEEN
Title: Petroleum Engineer		Approved Date: AY 1 8 2012 Expiration Date:
E-mail Address: mike@pippinllc.co	1	
Date: 5/16/12	Phone. 505-327-4573	Conditions of Approval Attached

Form C-102 District III District I State of New Mexico Revised August 1, 2011 Submit one copy to appropriate District Office District III 1220 South St. Francis Dr. 1000 Rio Brazos Road, Aztec, NM 87410 1000 Rio Brazos Kosa, rezec, 1314,6170 Phone: (505) 334-6178 Fax (505) 334-6170 ☐ AMENDED REPORT Santa Fe, NM 87505 1220 S. St. Francis Dr , Santa Fe, NM 87505 Phone: (505) 476-3460 Fax (505) 476-3462 LOCATION AND ACREAGE DEDICATION PLAT API Number ² Pool Code 30-025-35150 97941 Well Number ⁵ Property Name ⁴ Property Code 4 309894 Bimini 13 State OGRID No. " Operator Name Elevation 3,919 ft 281994 LRE Operating, LLC Surface Location UL or lot no. Feet from the North/South line Feet from the East/West line County Section Township Lot Idn Range North 17S 35E 2,225 2,310 West Lea F 13 " Bottom Hole Location If Different From Surface UL or lot no. Section Township Range Lot Idu Feet from the North/South line Feet from the East/West line County

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.

MOrder No.

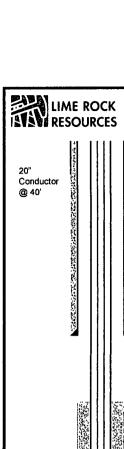
12 Dedicated Acres

40

Joint or Infill

14 Consolidation Code

(6				17 OPERATOR CERTIFICATION 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 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 covered by the division
	2,225			Signature (10) attra 5/3/12
				Jeffrey W. Patton, P.E.
2,310'				ipatton@limerockresources.com E-mad Address
	The second secon			"SURVEYOR CERTIFICATION
				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.
				August 25, 2000
				<u> </u>
	y			Date of Survey
				Signature and Scal of Professional Surveyor:
				Original Signed by Gary G. Edison
				Certificate Number NM PLS #12641



Proposed Wellbore 4-23-12

Lufkin Mark II 320-256-144 w/ 20 HP Electric Motor

BiMINI 13 STATE #4 Sec 13-17S-35E (F) 2225' FNL, 2310' FWL Elevation – 3,919' GL API # 30-025-35150 LEA County, NM

GEOLOGY			
Zone	Top		
Yates	3096'		
7 Rivers	3377'		
Queen	3968'		
San Andres	4664'		
Glorieta	6154'		
Blinebry	6968'		

8-5/8", 32#, J-55, ST&C Casing @ 1792'. 700 sx cmt. (9-27-2000)

CBL stopped at 5,000' with good cement. Actual TOC is unknown.

Proposed - Run 2-3/8"; 4.6#, J-55 Tubing @ 6,280' and SN @ 6,217'. Put well on 1.75" Tubing Pump or 1.25" Insert Pump.

Proposed Glorieta Perf's 6.156' - 6.208'

Proposed - Set CIBP at 6.300'

Upper Blinebry Perfs: 6,342' - 6,561'

Proposed Stim: 3,500 gals 15% HCL, 44,012 lbs 16/30 Brady Sand, 10,235 lbs 16/30 SiberProp in 35,292 gal 25# X-linked gel

Middle Blinebry Perfs: 6,643' - 6,796'

Lower Blinebry Perfs: 6,838' - 7,272'

PBTD @ 7,284'

4-1/2"; 11.6#; N-80; LT&C Casing @ 7,320'. Cmt'd w/1,003 sx (10-10-2000)

TD @ 7320'



Current Wellbore 4-16-12

BIMINI 13 STATE #4 Sec 13-17S-35E (F) 2225' FNL, 2310' FWL Elevation - 3,919' GL API # 30-025-35150 **LEA County, NM**

20" Conductor @ 40'

Lufkin Mark II 320-256-144 w/ 20 HP Electric Motor. Pump: 2" x 1.75" x 20' x 4' THBC Pump Rods: 91 - 7/8" D Reruns, 145 - 3/4" D Reruns, 12 - 1-1/2" SB's. String topped w/ 1-1/4" PR, 1-1/2" PR Liner 2 - 7/8" pony rods.

8-5/8", 32#, J-55, ST&C Casing @ 1792'. 700 sx cmt. (9-27-2000)

GEOLOGY			
<u>Zone</u>	Тор		
Yates	3096		
7 Rivers	3377'		
Queen	3968'		
San Andres	4664'		
Glorieta	6154'		
Blinebry	6968'		

CBL stopped at 5,000' with good cement. Actual TOC is unknown.

2-3/8"; 4.6#, J-55 Tubing @ 6,339'. Tbg Anchor @ 6,096', SN @ 6,253'. On Rod Pump: 1.75" Tubing Pump

Upper Blinebry Perfs: 6,342' - 6,561'

Frac'd w/ 4,410 gals 15% HCL, 53,781 gal 25# X-linked gel loaded with 58,074 lbs 16/30 Brady Sand and 0 lbs 16/30 SiberProp. Screened-Out on 3 ppg.Only 46,956# in form.

Middle Blinebry Perfs: 6,643' - 6,796' Frac'd w/ 3,500 gals 15% HCL, 44,012 lbs 16/30 Brady Sand, 10,235 lbs 16/30 SiberProp in 35,292 gal 25# X-linked gel

Lower Blinebry Perfs: 6,838' - 7,272'

Re-Frac: 3500 gal 15% HCL, 92,337 gal 25# X-linked gel, 99,255 lbs 16/30 Brady sand and 31,086 lbs 16/30 SiberProp

PBTD @ 7,284'

Original Frac: 2730 gals 15% HCL, 83280# 20/40 White Sand, 30,480# 20/40 SLC in 116340 gal Spectra Frac 3500 at 50 BPM, ATP = 3870 psi and ISDP = 2970 psi.

4-1/2"; 11.6#; N-80; LT&C Casing @ 7,320'. Cmt'd w/1,003 sx (10-10-2000)

TD @ 7320'