

Submit 3 Copies To Appropriate District
Office
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

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

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

WELL API NO. 30-025-31244
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name NOWATA AGR STATE
8. Well Number #1
9. OGRID Number 281994
10. Pool name or Wildcat Vacuum, Bone Spring, Mid (46195)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3920' GL

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
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 P : 860 feet from the SOUTH line and 990 feet from the EAST line Section 9 Township 18-S Range 35-E NMPM Lea County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3920' 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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: Sidetrack Completion ☒

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.

Ran cased hole neutron log on 7/9/12. MIRUSU on 7/18/12. PT 4-1/2" csg to 1000 psi for 15 min-OK. CO to MDPBTD8670'. Spotted 300 gal acetic acid across area to be perfed. On 7/21/12, perfed Bone Springs @ 8534'-69' w/2-0.37" spf. Total 71 holes. Set 4-1/2" pkr @ 8106' & swab tested well. TOH w/pkr. On 7/24/12, landed 2-3/8" 4.7# L-80 tbg @ 8113'. Ran pump & rods. Released service unit on 7/25/12. This well was re-delivered on 7/31/12 & tested 241 BOPD, 87 MCF/D, & 242 BWPD.

The bottom hole location of this sidetracked hole is 1838' FSL & 2286' FEL, Sec. 9 T18S R35E.

Spud Date: 2/2/93 Drilling Rig Release Date: 3/23/93

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 8/1/12

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

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE AUG 02 2012

Conditions of Approval (if any):

AUG 02 2012