

District I
1625 N. French Dr., Hobbs, NM 88244

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

Energy Minerals and Natural Resources

RECEIVED
AUG 09 2013
NMOCD ARTESIA

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

HOBBS

June 19, 2008

WELL API NO.
30-025-29998

5. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
ARREGUY AVM

8. Well Number #1

9. OGRID Number 281994

10. Pool name or Wildcat:
Eidson, Morrow, North (gas) (76360)

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 PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

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 A : 810 feet from the NORTH line and 510 feet from the EAST line
Section 25 Township 15-S Range 34-E NMPM Edy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
4036' GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- DOWNHOLE COMMINGLE
- PLUG AND ABANDON
- CHANGE PLANS
- MULTIPLE COMPL

OTHER: P&A

SUBSEQUENT REPORT OF:

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

OTHER:

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 completion.

LRE OPERATING, LLC would like to P&A this well as follows: MIRUSU. TOH w/all production equipment. **Plug #1, 12,628'-12,190': Morrow perfs (12,678'-92', Atoka perfs (12,210'-18')**. Set 3-1/2" CIBP @ 12,628' & top w/25 sx cmt (~604'). WOC. Tag Cmt. Circ hole w/P&A mud (25 sx gel/100 bbls water). **Plug #2 (11,390'-11,150'): 5-1/2" csg shoe @ 11,340, Canyon perfs (11,200'-11,264')** Place a balanced 25 sx plug (~604') @ 11,390'. WOC. Tag cmt. **Plug #3 (10,310'-8466'), Wolfcamp perfs (10,250'-60'), Top Wolfcamp @ 9697', 5-1/2" Stg Tool @ 8516'**. Place a balanced 78 sx plug @ 10,310'. WOC, Tag cmt. **Plug #4 (8074'-7974'): Top Abo @ 8024'**. Place a balanced 25 sx plug (~604') @ 8074'. WOC, Tag cmt. **Plug #5 (6129'-6029'): Top Glorieta @ 6079'**. Perf 3-1/2" w/3 SQ holes @ 6129'. W/3-1/2" pkr @ ~5800', establish rate & mix 11 sx cmt & SQ 6 sx outside csg & 5 sx inside csg. WOC, Tag cmt. **Plug #6 (4850'-4750'): 8-5/8" shoe @ 4800'**. Perf 3 SQ holes @ 4850'. W/3-1/2" pkr @ ~4500', establish rate & mix 11 sx cmt & SQ 6 sx outside csg & 5 sx inside csg. WOC, Tag cmt. **Plug #7 (3004'-1835'): Top of Yates @ 2954' & Top salt @ 1885'**. Perf 3 SQ holes @ 3004'. W/3-1/2" pkr @ ~1600', establish rate & mix 11 sx cmt & SQ 63 sx outside csg & 48 sx inside csg. WOC, Tag cmt. **Plug #8 (569'-Surface): 13-3/8" shoe @ 519'**. Perf 3 SQ holes @ 569'. Establish rate & pump ~55 sx cmt down 3-1/2" & up annulus to surface. Cut off csg below surface csg flange. Top off all csqs w/cmt. Install P&A marker with cmt to comply with government specs. RD move off location, cut off anchors and restore location. Any flow back will be into a closed loop system.

Bottom Hole is 919' FNL & 445' FEL Sec 25.

Spud Date: 9/2/87

Drilling Rig Release Date: 10/17/87

Approved for plugging of well bore only. Liability under bond is retained pending receipt of C-103 (Subsequent Report of Well Plugging) which may be found at OCD Web Page under Forms, www.cmnr.state.nm.us/oecd.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

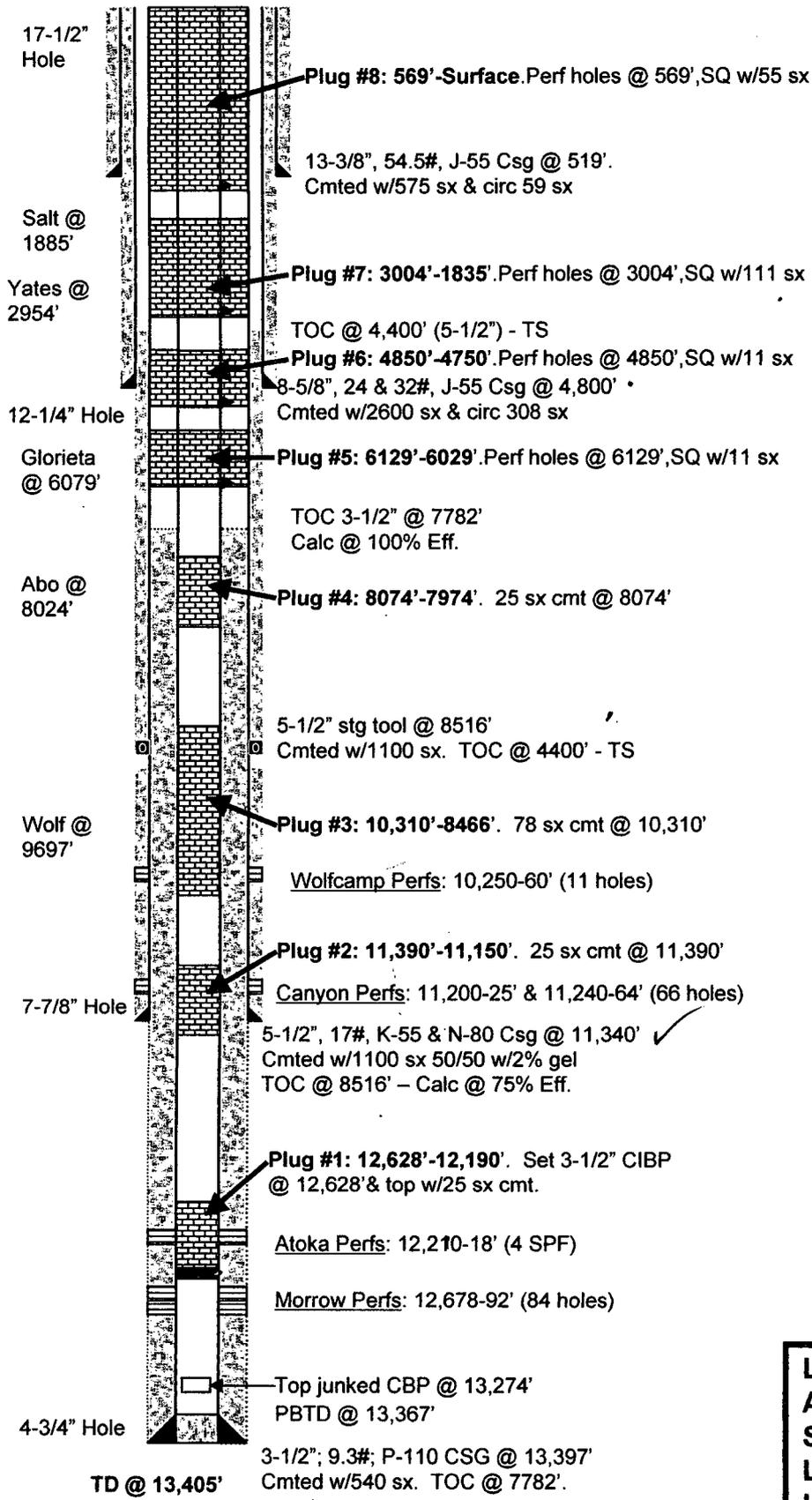
SIGNATURE Mike Pippin TITLE Petroleum Engineer - Agent DATE 8/2/13

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

For State Use Only

APPROVED BY [Signature] TITLE Dist. Mgr DATE 9-5-2013
Conditions of Approval (if any):

[Handwritten initials]



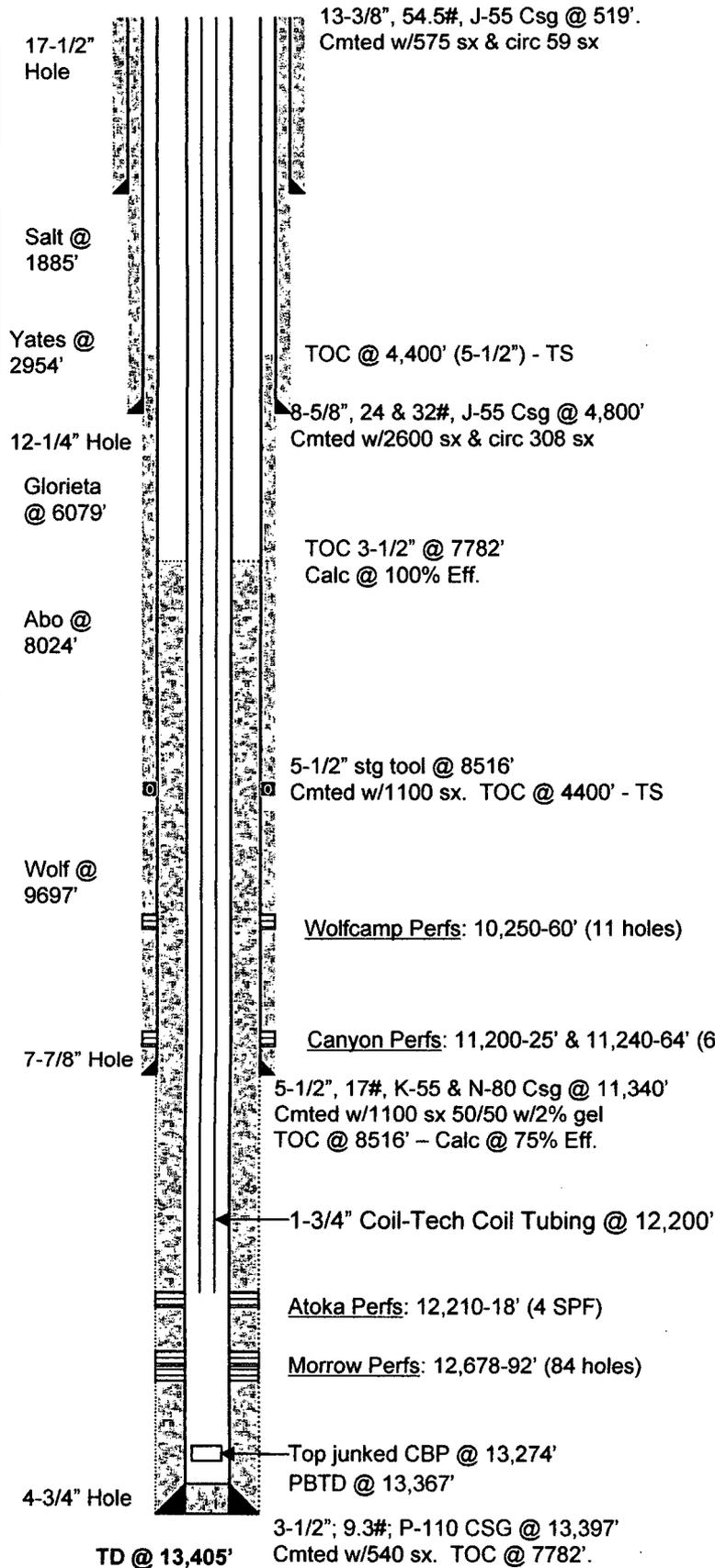
Elevation: 4,035.5' GL	
Date Spud: 08/04/00	
Date TD'd: 09/21/00	
Date Completed: 10/07/00	
Zone	Stimulation
Atoka	1,000 gals 15% HCl
Morrow	1,500 gals 7-1/2% HCl
Wolfcamp	1,500 gals 15% HCl
Recompletion & Workovers	
Date	
10/15/87	Originally completed well in Canyon
12/28/88	Abandoned Canyon; tested Wolfcamp (unsuccessful); and P&A well
10/07/00	Re-entered plugged well and cleaned out to 13,405'. Completed in Morrow
01/15/07	Acidized Morrow
06/01/08	Perforated Atoka and commingled with Morrow. Installed 1-3/4" CT string.
API #:	30-025-29998
Cum Prod:	2.2 BCF

PROPOSED P&A

LRE OPERATING, LLC
ARREGUY AVM #1
Sec 25A-15S-34E
Lea County, NM
Updated: Aug 2, 2013 - PMP



LIME ROCK RESOURCES



13-3/8", 54.5#, J-55 Csg @ 519'.
Cmtd w/575 sx & circ 59 sx

TOC @ 4,400' (5-1/2") - TS

8-5/8", 24 & 32#, J-55 Csg @ 4,800'
Cmtd w/2600 sx & circ 308 sx

TOC 3-1/2" @ 7782'
Calc @ 100% Eff.

5-1/2" stg tool @ 8516'
Cmtd w/1100 sx. TOC @ 4400' - TS

Wolfcamp Perfs: 10,250-60' (11 holes)

Canyon Perfs: 11,200-25' & 11,240-64' (66 holes)

5-1/2", 17#, K-55 & N-80 Csg @ 11,340'
Cmtd w/1100 sx 50/50 w/2% gel
TOC @ 8516' - Calc @ 75% Eff.

1-3/4" Coil-Tech Coil Tubing @ 12,200'

Atoka Perfs: 12,210-18' (4 SPF)

Morrow Perfs: 12,678-92' (84 holes)

Top junked CBP @ 13,274'
PBD @ 13,367'

3-1/2", 9.3#, P-110 CSG @ 13,397'
Cmtd w/540 sx. TOC @ 7782'.

Elevation: 4,035.5' GL

Date Spud: 08/04/00

Date TD'd: 09/21/00

Date Completed: 10/07/00

Zone	Stimulation
Atoka	1,000 gals 15% HCl
Morrow	1,500 gals 7-1/2% HCl
Wolfcamp	1,500 gals 15% HCl

Recompletion & Workovers

Date	
10/15/87	Originally completed well in Canyon
12/28/88	Abandoned Canyon; tested Wolfcamp (unsuccessful); and P&A well
10/07/00	Re-entered plugged well and cleaned out to 13,405'. Completed in Morrow
01/15/07	Acidized Morrow
06/01/08	Perforated Atoka and commingled with Morrow. Installed 1-3/4" CT siphon string.

API #: 30-025-29998

Last Well Test:

Cum Prod: 2.2 BCF

LRE OPERATING, LLC
ARREGUY AVN #1
Sec 25A-15S-34E
Lea County, NM
Updated: Aug 2, 2013 - PMP