

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

RECEIVED

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
June 19, 2008

JAN 25 2013

MOCD ARTESIA

OIL CONSERVATION DIVISION

4020 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO.  
30-015-40461

5. Indicate Type of Lease  
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name  
MARATHON 25 STATE

8. Well Number #32

9. OGRID Number 281994

10. Pool name or Wildcat  
Red Lake, Queen-Grayburg-San Andres  
(51300)

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 ☒ 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 C : 480 feet from the NORTH line and 1710 feet from the WEST line  
Section 25 Township 17-S Range 28-E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3682' 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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER: Spud & Casings ☒

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.

Spud well on 1/18/13. Drilled 12-1/4" hole to 356'. Landed 8-5/8" 24# J-55 csg @ 345'. Cmted w/240 sx (324 cf) "C" cmt w/2% CaCl<sub>2</sub>, 0.005# static free, & 0.25# CF. Circ 21 sx cmt to surface. On 1/19/13, PT 8-5/8" csg to 1500 psi-OK. The annulus of the 8-5/8" csg was filled from 45' to surface w/ready mix cmt.

Drilled 7-7/8" hole from 8-5/8" csg shoe to MD3276' on 1/22/13. Ran open hole logs. On 1/22/13, landed 5-1/2" 17# J-55 csg @ MD3266'. Cmted lead w/350 sx (665 cf) 35/65 poz "C" cmt w/0.125#/sx CF, 5% salt, 5# LCM-1 & 0.55% R-3. Tailed w/325 sx (432 cf) "C" cmt w/0.25#/sx CF, 0.2% CD-32, & 0.25% R-3. Circ 147 sx cmt to pit. Released drilling rig on 1/23/13. Plan to pressure test the 5-1/2" csg before completion operations.

Spud Date: 1/18/13

Drilling Rig Release Date: 1/23/13

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 1/23/13

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

For State Use Only

APPROVED BY: RR Dade TITLE Dist R Supervisor DATE 1/29/2013

Conditions of Approval (if any):