

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. 30-015-40307
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 MARATHON 26 STATE
8. Well Number #33
9. OGRID Number 281994
10. Pool name or Wildcat Artesia, Glorieta-Yeso (96830)

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 <u>A</u> : <u>440</u> feet from the <u>NORTH</u> line and <u>960</u> feet from the <u>EAST</u> line Section <u>26</u> Township <u>17-S</u> Range <u>28-E</u> NMPM <u>Eddy</u> County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3678' 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: 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.

On 7/10/12, MIRUSU. Drilled out float collar & cmt to 4080'. Set 5-1/2" CIBP @ 4067'. On 7/12/12, PT 5-1/2" csg to 4000 psi-OK. Perfed Yeso @ 3898', 3900', 02', 04', 05', 06', 11', 13' w/1-0.42" spf & 3920', 27', 31', 42', 44', 46' w/2-0.42" spf & 3949' w/1-0.42" spf & 3955', 62', 64', 68', 69', 74', 76' w/2-0.42" spf & 3979' w/1-0.42" spf. Total 36 holes. Treated w/510 gal 7.5% HCL acid & 54 perf balls. On 7/14/12, frac screened out w/17,756# 16/30 Brady sand in X-linked gel. CO after screen out to 4067'. Set 5-1/2" CBP @ 3880'. PT csg & CBP to 4000 psi-OK. Perfed Yeso @ 3621', 26', 30', 36', 44', 50', 54', 61', 65', 70', 75', 80', 85', 90', 95', 3700', 05', 10', 15', 20', 25', 30', 35', 40', 45', 50', 55', 60', 65', 70', 75', 80', 85', 90', 95', 3800', 05', 10', 15', 20', 25', 30', 35', 40', 45', 49', 54', 59' w/1-0.42" spf. Total 48 holes. Treated perfs w/6700 gal 7.5% HCL acid & 72 perf balls. On 7/18/12, fraced w/1723# 100 mesh & 24,508# 16/30 Brady sand in X-linked gel before frac co. mechanical failure ended frac job. On 7/19/12, refraced w/60,165# 16/30 Brady & 34,135# 16/30 siber prop sand in X-linked gel. On 7/20/12, drilled CBP @ 3880' & CO to PBTD4067'. On 7/20/12, landed 2-7/8" 6.5# J-55 tbg @ 3978'. Ran pump & rods. Released completion rig on 7/23/12.

Spud Date: 7/4/12 Drilling Rig Release Date: 7/9/12

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 7/23/12

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

For State Use Only

APPROVED BY: BR Dade TITLE Dist P Supervisor DATE 7/25/12
Conditions of Approval (if any):

RECEIVED

JUL 25 2012

NMOCD ARTESIA