

|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     |                                        |                                                       |                                                          |                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|
| Submit within 45 days of well completion                                                                                                           | State of New Mexico<br>Energy, Minerals and Natural Resources<br>Oil Conservation Division<br>1220 S. St Francis Dr.<br>Santa Fe, NM 87505 | Revised February 15, 2012                                                                                                           |                                        |                                                       |                                                          |                                                          |
|                                                                                                                                                    |                                                                                                                                            | 1. WELL API NO.<br>30-015-40124                                                                                                     |                                        |                                                       |                                                          |                                                          |
|                                                                                                                                                    |                                                                                                                                            | 2. Well Name:<br>MARATHON 25 STATE #034                                                                                             |                                        |                                                       |                                                          |                                                          |
|                                                                                                                                                    |                                                                                                                                            | 3. Well Number:<br>034                                                                                                              |                                        |                                                       |                                                          |                                                          |
| <b>HYDRAULIC FRACTURING FLUID DISCLOSURE</b><br><br><input checked="" type="checkbox"/> Original<br><br><input type="checkbox"/> Amendment         |                                                                                                                                            | 4. Surface Hole Location:<br>Unit:D Lot:D Section:25 Township:17S Range:28E<br>Feet from:790 N/S Line:N<br>Feet from:990 E/W Line:W |                                        |                                                       |                                                          |                                                          |
|                                                                                                                                                    |                                                                                                                                            | 5. Bottom Hole Location:<br>Unit:D Lot:D Section:25 Township:17S Range:28E<br>Feet from:790 N/S Line:N<br>Feet from:990 E/W Line:W  |                                        |                                                       |                                                          |                                                          |
|                                                                                                                                                    |                                                                                                                                            | 6. latitude: longitude:<br>32.8117454395053 -<br>104.135208287211                                                                   |                                        |                                                       |                                                          |                                                          |
|                                                                                                                                                    |                                                                                                                                            | 7. County:<br>Eddy                                                                                                                  |                                        |                                                       |                                                          |                                                          |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     |                                        |                                                       |                                                          |                                                          |
| 8. Operator Name and Address:<br>LRE OPERATING, LLC<br>1111 Bagby<br>Suite 4600<br>Houston 77002                                                   |                                                                                                                                            |                                                                                                                                     |                                        | 9. OGRID:<br>281994                                   | 10. Phone Number:<br>713-292-9517                        |                                                          |
| 11. Last Fracture Date: 7/19/2012 Frac Performed by: BAKER                                                                                         |                                                                                                                                            |                                                                                                                                     |                                        | 12. Production Type:<br>O                             |                                                          |                                                          |
| 13. Pool Code(s):<br>51300                                                                                                                         |                                                                                                                                            |                                                                                                                                     |                                        | 14. Gross Fractured Interval:<br>2,295 ft to 3,240 ft |                                                          |                                                          |
| 15. True Vertical Depth (TVD):<br>3,392 ft                                                                                                         |                                                                                                                                            |                                                                                                                                     |                                        | 16. Total Volume of Fluid Pumped:<br>4,247 bbls       |                                                          |                                                          |
| 17. HYDRAULIC FLUID COMPOSITION AND CONCENTRATION:                                                                                                 |                                                                                                                                            |                                                                                                                                     |                                        |                                                       |                                                          |                                                          |
| Trade Name                                                                                                                                         | Supplier                                                                                                                                   | Purpose                                                                                                                             | Ingredients                            | (CAS #) Chemical Abstract Service #                   | Maximum Ingredient Concentration in Additive (% by mass) | Maximum Ingredient Concentration in HF Fluid (% by mass) |
| HCL 5.1-7.5%                                                                                                                                       | BAKER                                                                                                                                      | ACIDIZING                                                                                                                           | Hydrochloric acid                      | 7647-01-0                                             | 7.5%                                                     | 0.31578%                                                 |
| Activator 330                                                                                                                                      | BAKER                                                                                                                                      | ACTIVATOR                                                                                                                           | ALCOHOLS, C12-14-Secondary             | 84133-50-6                                            | 70%                                                      | 0.02513%                                                 |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     | Methanol                               | 67-56-1                                               | 50%                                                      | 0.01795%                                                 |
| X-Cide 207                                                                                                                                         | BAKER                                                                                                                                      | Biocide                                                                                                                             | 2-Methyl-4-Isothiazolin-3-One          | 2682-20-4                                             | 5%                                                       | 3E-05%                                                   |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     | 5-Chloro-2-Methyl-4-Isothiazolin-3-One | 26172-55-4                                            | 10%                                                      | 7E-05%                                                   |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     | Crystalline Silica: Cristobalite       | 14464-46-1                                            | 1%                                                       | 1E-05%                                                   |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     | Crystalline Silica: Quartz (SiO2)      | 14808-60-7                                            | 1%                                                       | 1E-05%                                                   |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     | Diatomaceous Earth, Calcined           | 91053-39-3                                            | 60%                                                      | 0.00039%                                                 |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     | Magnesium Chloride                     | 7786-30-3                                             | 5%                                                       | 3E-05%                                                   |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     | Magnesium Nitrate                      | 10377-60-3                                            | 10%                                                      | 7E-05%                                                   |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     | GBW-5                                  | BAKER                                                 | BREAKER                                                  | Ammonium Persulfate                                      |
| Enzyme G-1                                                                                                                                         | BAKER                                                                                                                                      | BREAKER                                                                                                                             | Hemicellulase Enzyme Concentrate       | 9025-56-3                                             | 3%                                                       | 0.00101%                                                 |
| ClayCare, tote                                                                                                                                     | BAKER                                                                                                                                      | Clay Control                                                                                                                        | Choline Chloride                       | 67-48-1                                               | 75%                                                      | 0.07837%                                                 |
| CI-27                                                                                                                                              | BAKER                                                                                                                                      | Corrosion Inhibitor                                                                                                                 | Fatty Acids                            | Trade Secret                                          | 30%                                                      | 0.00097%                                                 |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     | Methanol                               | 67-56-1                                               | 60%                                                      | 0.00195%                                                 |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     | Olefin                                 | Trade Secret                                          | 5%                                                       | 0.00016%                                                 |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     | Polyoxyalkylenes                       | Trade Secret                                          | 30%                                                      | 0.00097%                                                 |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     | Propargyl Alcohol                      | 107-19-7                                              | 10%                                                      | 0.00032%                                                 |
| XLW-10A                                                                                                                                            | BAKER                                                                                                                                      | Crosslinker                                                                                                                         | Ethylene Glycol                        | 107-21-1                                              | 30%                                                      | 0.03635%                                                 |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     | Sodium Hydroxide                       | 1310-73-2                                             | 10%                                                      | 0.01212%                                                 |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     | Sodium Tetraborate                     | 1330-43-4                                             | 30%                                                      | 0.03635%                                                 |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     | GW-4LDF                                | BAKER                                                 | Gelling Agent                                            | Guar Gum                                                 |
| Paraffinic Petroleum Distillates                                                                                                                   | 64742-55-8                                                                                                                                 | 60%                                                                                                                                 | 0.30197%                               |                                                       |                                                          |                                                          |
| Petroleum Distillatef                                                                                                                              | 64742-47-8                                                                                                                                 | 60%                                                                                                                                 | 0.30197%                               |                                                       |                                                          |                                                          |
| Ferrotrol 280L                                                                                                                                     | BAKER                                                                                                                                      | Iron Control                                                                                                                        | 2-Mercaptoethanol                      | 60-24-2                                               | 100%                                                     | 0.01599%                                                 |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     | Ammonium Hydroxide                     | 1336-21-6                                             | 5%                                                       | 0.0008%                                                  |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     | Cupric Chloride                        | 7447-39-4                                             | 5%                                                       | 0.0008%                                                  |
| NE-35,330 GL TOTE                                                                                                                                  | BAKER                                                                                                                                      | Non-emulsifier                                                                                                                      | Mixture of Surfactants                 | Trade Secret                                          | 50%                                                      | 0.05176%                                                 |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     | Propylene Glycol                       | 57-55-6                                               | 30%                                                      | 0.03106%                                                 |
| Sand Brown 16/30                                                                                                                                   | BAKER                                                                                                                                      | Propant                                                                                                                             | Crystalline Silica (Quartz)            | 14808-60-7                                            | 100%                                                     | 11.36471%                                                |
| SiberProp, 16/30                                                                                                                                   | BAKER                                                                                                                                      | Propant                                                                                                                             | Quartz (SiO2)                          | 14808-60-7                                            | 100%                                                     | 2.06001%                                                 |
| ScaleSorb 3, (50# bag)                                                                                                                             | BAKER                                                                                                                                      | Scale Inhibitor                                                                                                                     | Amino Alkyl Phosphonic Acid            | Trade Secret                                          | 30%                                                      | 0.01715%                                                 |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     | Crystalline Silica: Quartz (SiO2)      | 14808-60-7                                            | 1%                                                       | 0.00057%                                                 |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     | Diatomaceou Earth, Calcined            | 91053-39-3                                            | 100%                                                     | 0.05716%                                                 |
|                                                                                                                                                    |                                                                                                                                            |                                                                                                                                     | Phosphonic Acid                        | 13598-36-2                                            | 1%                                                       | 0.0057%                                                  |
| 18. I, as Operator, hereby certify that the information shown on this disclosure form is true and complete to the best of my knowledge and belief. |                                                                                                                                            |                                                                                                                                     |                                        |                                                       |                                                          |                                                          |
| Signature: Signed Electronically                                                                                                                   |                                                                                                                                            | Printed Name: Mike Pippin                                                                                                           |                                        | Title: Consultant                                     |                                                          |                                                          |
| Date: 8/1/2012                                                                                                                                     |                                                                                                                                            |                                                                                                                                     |                                        |                                                       |                                                          |                                                          |
| E-mail Address: mike@pippinllc.com                                                                                                                 |                                                                                                                                            |                                                                                                                                     |                                        |                                                       |                                                          |                                                          |

NMOCD does not require the reporting of information beyond MSDS data as described in 29 CFR 1910.1200. NMOCD does not require the reporting or disclosure of proprietary, trade secret or confidential business information.