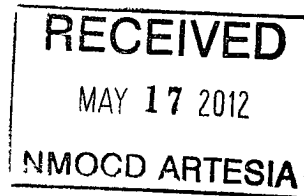


District I*
1625 N French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S First St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised December 16, 2011



Permit

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address LRE Operating, LLC 1111 Bagby St. Suite 4600 Houston, TX 77002		² OGRID Number 281994
		³ API Number 30-015-40307
⁴ Property Code 309868	⁵ Property Name Marathon "26" State	⁶ Well No. 33

⁷ Surface Location

UL - Lot A	Section 26	Township 17-S	Range 28-E	Lot Idn	Feet from 440'	N/S Line North	Feet From 960'	E/W Line East	County Eddy
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⁸ Pool Information

Red Lake; Queen Grayburg-SA Artesia; Glereta-Yeso	96830
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Additional Well Information

⁹ Work Type N	¹⁰ Well Type O	¹¹ Cable/Rotary R	¹² Lease Type S	¹³ Ground Level Elevation 3677.5
¹⁴ Multiple N	¹⁵ Proposed Depth 4200	¹⁶ Formation Yeso	¹⁷ Contractor United Drilling	¹⁸ Spud Date 05/30/12
Depth to Ground water Not readily available from NM State Engineer		Distance from nearest fresh water well		Distance to nearest surface water

¹⁹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
New	12 1/4"	8 5/8"	24#	450'	300 sx "C" = add	Surface
New	7 7/8"	5 1/2"	17#	4200'	315 sx 35/65 Poz	Lead to surface
					425 sx "C" + add	Tail to surface

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2 M	1500	Shaffer

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

I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Signature: *George R. Smith*

Printed name: George R. Smith

Title: POA Agent for LRE Operating, LLC

E-mail Address: gr.smith1@hotmail.com

Date: 05/15/2012.

Phone: 575-623-4940

OIL CONSERVATION DIVISION

Approved By:

T. C. Shaffer
604/151

Title:

Approved Date:

5/12/2012

Expiration Date:

5/22/2014

Conditions of Approval Attached

2000 psi System

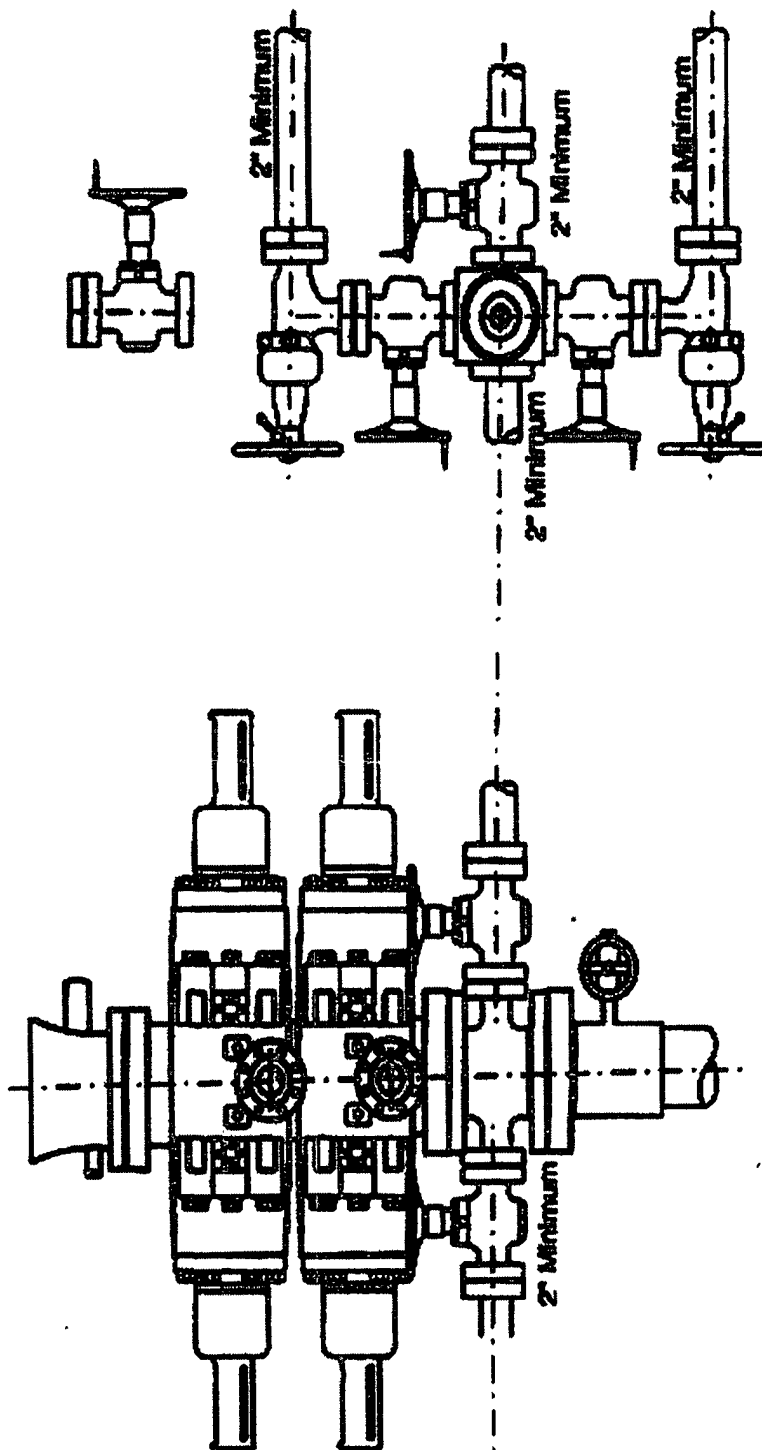


Figure 3-1

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 15, 2009
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-70307		Pool Code 96830	Pool Name Artesia; Glorieta-Yeso
Property Code 309868	Property Name MARATHON "26" STATE		Well Number 33
OGRID No. 281994	Operator Name LRE OPERATING, L.L.C.		Elevation 3677.5

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	26	17 S	28 E		440	NORTH	960	EAST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1927 (NAD27), AND ARE IN DECIMAL DEGREE FORMAT</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</p> <p>Signature: <i>George R. Smith</i> Date: <i>April 25/12</i></p> <p>Printed Name: George R. Smith, POA Agent</p> <p>18 SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>APRIL 5, 2012</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor: <i>Filimon F. Jaramillo</i></p> <p>Certificate Number: FILIMON F. JARAMILLO, PLS 12797</p> <p>SURVEY NO 012A</p>
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