

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. 30-015-40124
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 25 STATE
8. Well Number #34
9. OGRID Number 281994
10. Pool name or Wildcat Alamosa, 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"/>	RECEIVED JUL 18 2012 NMOCD ARTESIA
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>D</u> : <u>790</u> feet from the <u>NORTH</u> line and <u>990</u> feet from the <u>WEST</u> line Section <u>25</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.) 3683' 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 ☐

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

OTHER: ☐

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 7/11/12. Drilled 12-1/4" hole to 478'. Landed 8-5/8" 24# J-55 csg @ 462'. Cmted w/300 sx (405 cf) "C" cmt w/2% CaCl₂ & 0.25# CF. Circ 175 sx cmt to surface. On 7/12/12, PT 8-5/8" csg to 700 psi for 30 min-OK.

Drilled 7-7/8" hole from 8-5/8" csg shoe to MD3405' on 7/15/12. Ran open hole logs. On 7/16/12, landed 5-1/2" 17# J-55 csg @ MD3401'. Cmted lead w/275 sx (523 cf) 35/65 poz "C" cmt w/0.125#/sx CF, 5% salt, 5# LCM-1 & 0.3% R-3. Tailed w/350 sx (466 cf) "C" cmt w/0.25#/sx CF & 0.4% R-3. Circ 88 sx cmt to pit. Released drilling rig on 7/16/12. Plan to pressure test the 5-1/2" csg before completion operations.

Bottom Hole Location is 989' FNL & 963' FWL Sec.25, T17S R28E

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 7/16/12

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. H. Supervisor DATE 07/18/2012

Conditions of Approval (if any):