

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 ☒ FEE ☐
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 Red Lake, Queen-Grayburg-San Andres (51300)
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3683' GL

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 D : 790 feet from the NORTH line and 990 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.)
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: 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 7/17/12, PT 5-1/2" csg to 5000 psi for 30 min-OK. Perfed lower San Andres @ MD2951', 56', 61', 65', 70', 72', 80', 86', 94', 99', 3001', 10', 14', 17', 20', 26', 34', 52', 60', 71', 74', 80', 84', 92', 94', 99', 3104', 08', 11', 16', 24', 29', 36', 38', 45', 50', 54', 56', 62', 66', 80', 85', 90', 95', 3200', 05', 10', 15', 20', 25', 30', 35', 40' w/1-0.42" spf. Total 53 holes. Treated w/2000 gal 7.5% HCL acid & 80 perf balls. On 7/19/12, fraced lower San Andres w/75,764# 16/30 Brady & 16,483# 16/30 siber prop sand in X-linked gel. Set 5-1/2" CBP @ MD2920'. PT csg & CBP to 4000 psi for 30 min-OK. Perfed middle San Andres @ MD2585', 90', 95', 2600', 05', 10', 15', 20', 25', 30', 35', 40', 45', 56', 60', 66', 78', 82', 90', 94', 2705', 09', 16', 26', 34', 37', 45', 52', 56', 60', 65', 70', 75', 80', 85', 90', 95', 2800', 05', 10', 15', 20', 25', 30', 35', 40', 45', 55', 60', 67', 69', 78', 84' w/1-0.42" spf. Total 53 holes. Treated perfs w/2000 gal 7.5% HCL acid & 80 perf balls. Fraced w/61,726# 16/30 Brady & 14,590# 16/30 siber prop sand in X-linked gel. Set 5-1/2" CBP @ MD2554'. PT csg to 4000 psi for 30 min-OK. Perfed upper San Andres @ MD2295', 2304' w/2-0.42" spf & 2308', 14', 19', 28', 42' w/2-0.42" spf & 2351', 67', 76', 78', 80' w/1-0.42" spf & 2385' w/2-0.42" spf & 2392', 2409' w/1-0.42" spf & 2415', 18', 38', 41', 53', 55', 66', 2506', 08' w/2-0.42" spf & 2524', 30', 33' w/1-0.42" spf. Total 42 holes. Treated perfs w/1806 gal 7.5% HCL acid & 63 perf balls. Fraced w/61,380# 16/30 Brady & 12,591# 16/30 siber prop sand in X-linked gel. On 7/20/12, MIRUSU. Drilled CBPs @ MD2554' & 2920' & CO to PBTD3354'. On 7/23/12, landed 2-7/8" 6.5# J-55 tbg @ MD3253'. Ran pump & rods. Released completion rig on 7/23/12.

TD of 7-7/8" hole is 989' FNL & 963' FWL Sec 25 T17S R28E.

Spud Date: 7/11/12

Drilling Rig Release Date: 7/16/12

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

RECEIVED

JUL 25 2012

NMOCD ARTESIA

SIGNATURE Mike Pippin TITLE Petroleum Engineer - Agent DATE 7/24/12

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

APPROVED BY: John Dade TITLE Vist R Squaw DATE 7/25/12
Conditions of Approval (if any):