

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs,
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6111
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

OIL CONSERVATION RECEIVED

1220 South St. Francis Dr.
Santa Fe, NM 87505 JUN 11 2013

HOBBSD

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|--|--|---|
| UNIT OPERATOR'S REPORTS 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.) | | WELL API NO. 30-025-10596 |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> | | 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 2. Name of Operator LEGACY RESERVES OPERATING LP | | 6. State Oil & Gas Lease No. |
| 3. Address of Operator P.O. BOX 10848 MIDLAND, TX 79702 | | 7. Lease Name or Unit Agreement Name SKELLY PENROSE A UNIT |
| 4. Well Location Unit Letter <u>N</u> : <u>740</u> feet from the <u>SOUTH</u> line and <u>2000</u> feet from the <u>WEST</u> line Section <u>3</u> Township <u>23S</u> Range <u>37E</u> NMPM County <u>LEA</u> | | 8. Well Number <u>38</u> |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3297' DF | | 9. OGRID Number 240974 |
| | | 10. Pool name or Wildcat Langlie Mattix; 7 Rvrs-Queen-Grayburg |

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: MIT & Request 6 Month TA Extension ☒

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Legacy Reserves Operating LP requests approval for a short continuance of temporary abandonment status of the subject well for a period of 6 additional months. Presently, the current approved temporary abandonment is set to expire on June 16, 2013.

We pressure tested the subject well on 4/17/13 to a test pressure of 645# psig for 30 minutes and the casing tested successfully.

You graciously granted us a 2 year extension on this well in June 2011, following our acquisition of this lease from Cimarex Energy Company of Colorado. However, we had to terminate and defer study and subsequent action on this lease due to engineering manpower constraints.

We are again evaluating this and other temporary abandoned wells on this unit and anticipate starting field operations within the next 30-45 days to either re-activate or PXA this well.

Spud Date:

Rig Release Date:

TA EXPIRES 6 MONTH

FROM TEST DATE

60 day TA extension approved per 6/11/13 telephone conversation w/ E.L. Gonzales.

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

SIGNATURE

Kent Williams

TITLE SENIOR ENGINEER

DATE 05/01/2013

Type or print name KENT WILLIAMS

E-mail address: KWilliams@LegacyLP.com PHONE: 432-689-5200

For State Use Only

APPROVED BY:

Mark Whitaker

TITLE Compliance Officer

DATE 06-07-2013

Conditions of Approval (if any):

JUN 11 2013