

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division, District 1

1625 N. Hobbs OC Drive
Hobbs, NM 88240

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

DEC 02 2013

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMNM105885

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

LEGACY RESERVES OPERATING LP

3a. Address

P.O. BOX. 10848
MIDLAND, TX 79702

3b. Phone No. (include area code)

(432) 689-5200

7. If Unit of CA/Agreement, Name and/or No.
NMNM124864

8. Well Name and No.
HERCULES FEDERAL COM #2 BATTERY

9. API Well No.
30-005-29049

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FNL & 430' FWL, SEC. 15, T-15S, R-31E, UNIT LETTER D

10. Field and Pool or Exploratory Area
ABO/WOLFCAMP WILDCAT

11. County or Parish, State
CHAVES CO., NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>WATER DISPOSAL</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>ONSHORE ORDER #7</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" type="checkbox"/> Water Disposal	<u>& BATTERY DIAGRAM</u>

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

BATTERY HAS NO H2S CONTENT. ALL WELLS ARE TESTED INDIVIDUALLY. SEE ATTACHED FORM AND DIAGRAM.

FORMATION: LOWER ABO

WATER PRODUCED: 40 BPD AVERAGE

STORED: 1-500 BBL WATER TANK

MOVED: TRUCKED

DISPOSAL: GULF DEEP #1 SWD, API # 30-005-01210

LOCATION: C-34-T14S-R31E CHAVES CO., NM

PERMIT: 1158-A

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

KEVIN BRACEY

Title PRODUCTION SUPERINTENDENT

Signature

Kevin Bracey

Date 10/04/2013

KB

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Title

Date

NOV 20 2013

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 48 U.S.C. Section 1242 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

DEC 02 2013

WATER DISPOSAL ONSHORE ORDER #7

The following information is needed before your method of water disposal can be considered for approval.

1. Name(s) of formation (s) producing water on the lease.

Lower Abo

2. Amount of water produced from each formation in barrels per day.

40 bbls of Water per Day Average

3. How water is stored on the lease.

1 - 500 BBL water tank

4. How water is moved to disposal facility.

Truck Hauled

5. Operator's of disposal facility

a. Lease name or well name and number Crain Hot Oil Service
Gulf Deep #1 SWD

b. Location by $\frac{1}{4}$ $\frac{1}{4}$ Section, Township, and Range of the disposal system _____

Unit C, Sec. 34-T14S-R31E, Chaves Co. N.M.

c. The appropriate NMOCD permit number _____

API # 30-005-01210

SWD-1158-A

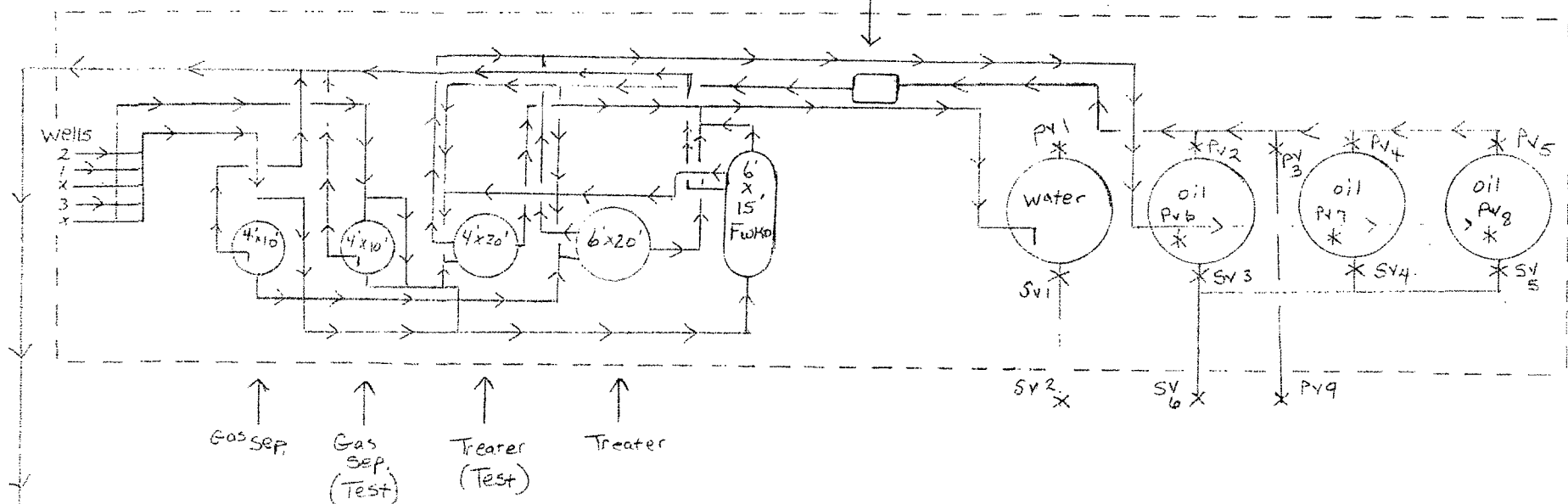
Legacy Reserves - Hercules Fed. Com. Battery Wells 1, 2 & 3

Unit D, Sec. 15 - T15S - R31E
660 FNL & 430 FNL
Chaves County, NM
#NMNM - 105885

Field Contact

Chad Jeter
575-390-3486

Circulating Pump.

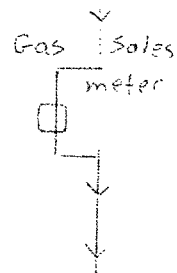


Sales Phase

- SV1 - Opened - water load line valve
- SV2 - Closed - water load line valve
- SV3 - Closed (Sealed) - oil load line valve
- SV4 - Closed (Sealed) - oil load line valve
- SV5 - Closed (Sealed) - oil load line valve
- SV6 - Closed - oil load line valve

Production Phase

- PV1 - Closed - water tank Drain Valve
- PV2 - Closed (Sealed) circulating line valve
- PV3 - Closed (Sealed) - Circulating line valve
- PV4 - Closed (Sealed) - Circulating line Valve
- PV5 - Closed (Sealed) - Circulating line Valve
- PV6 - Closed (Sealed) - oil Fill line valve
- PV7 - Opened (Sealed) - oil Fill line Valve
- PV8 - Closed (Sealed) - oil Fill line Valve
- PV9 - Closed - BS tank Bottom fill line valve



BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
575-627-0272

Disposal of Produced Water From Federal Wells
Conditions of Approval

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. Any on-lease open top storage tanks shall be covered with a wire screen to prevent entry by birds and other wildlife.
6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
7. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office for wells in Chaves or Roosevelt County if you have not already done so.