		UNITED STATES NMOCD OCD DEPARTMENT OF THE INTERIOR HOBBES OCD					FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010	
	SUNDRY NOTICES AND REPORTS ON WELLS (022016				5. Lease Serial No. NMNM20979			
L at	Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.					6. If Indian, Allottee or Tribe Name		
SUBMIT IN TRIPLICATE - Other instructions on reverse side.						7. If Unit or CA/Agreement, Name and/or No.		
1. Type of Well				8. Well Name and No. LEA UNIT 37H				
2. Name of Operator LEGACY RESE	MATT DICKSON Degacylp.com			9. API Well No. 30-025-43092				
3a. Address PO BOX 10848 MIDLAND, TX 79702			3b. Phone No. (include area code) Ph: 432-689-5200			10. Field and Pool, or Exploratory LEA; BONE SPRING		
4. Location of Well (Footage, Sec., T., R., M., or Survey Description,)			11. County or Parish, and State		
Sec 24 T20S R34E NWSE 2270FSL 1480FEL /						LEA COUNTY, NM		
12. (CHECK APPF	ROPRIATE BOX(ES) TO) INDICATI	ENATURE OF	NOTICE, I	REPORT, OR OTHE	R DATA	
TYPE OF SUBMISSION				TYPE OF ACTION				
Notice of Inten	t	Acidize	De	epen	D Produ	ction (Start/Resume)	U Water Shut-Off	
_		□ Alter Casing	🗖 Fra	cture Treat	🗖 Recla	mation	□ Well Integrity	
Subsequent Re	port	Casing Repair	🗆 Ne	w Construction	Recor	nplete	🛛 Other	
Final Abandonme	ment Notice	Change Plans	🗖 Plu	g and Abandon	Temp	orarily Abandon		
		Convert to Injection	🗖 Plu	g Back	U Water	Disposal		
Legacy Reserve	s Uperating re		al to add an	additional optio	n for the			
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Lea Unit #37H

Intermediate Casing

In the event that circulation is lost (> 50%) while drilling the 12-1/4" intermediate hole in the Capitan Reef at +/-4000', we will plan to install a DV tool and external casing packer within 200' of the top depth where lost circulation occurred and will pump a two-stage cement job with the potential to add an additional DV tool for a three-stage cement job. If there is no lost circulation a single stage cementing procedure will be followed. Legacy plans to cement to surface regardless of whether a single stage, 2-stage or 3-stage procedure is implemented.

No DV tool (80% excess on lead & 80% excess on tail to design for cement top at surface)

Lead: 1400 sx (35:65) poz (fly ash) class C cement+ 4% bwoc bentonite II + 5% bwoc MPA-5 + 0.25% bwoc FL- 52 + 5 lbs/sack LCM-1 + 0.125 lbs/sk cello flake+ 0.005 lbs/sk defoamer + 0.005 gps FP-6L + 1.2% bwoc Sodium Metasilicate + 5% bwow Sodium Chloride (12.5 ppg, 2.13 cfps, 8.81 gps wtr)

Tail: 200 sx class C cement (14.80 ppg, 1.33 cfps, 6.35 gps wtr)

With (1) DV Tool (100% excess on lead & 100% excess on tail to design for cement top at surface)

Assuming DV tool set at 3950' but if the setting depth changes, cement volumes will be adjusted proportionately.

Stage 1

Lead: 400 sx (35:65) paz (fly ash) class C cement+ 4% bwoc Bentonite II+ 5% bwoc MPA-5 + 0,25% bwoc FL-52 + 5 lbs/sack LCM-1 + 0.125 lbs/sk cello flake+ 0.005 lbs/sk defoamer + 0.005 gps FP-6L + 1.2% bwoc Sodium Metasilicate + 5% bwow Sodium Chloride (12.5 ppg, 2.13 cfps, 8.81 gps wtr)

Tail: 200 sx class C cement (14.80 ppg, 1.33 cfps, 6.35 gps wtr)

Stage 2

Lead: 1100 sx (35:65) paz (fly ash) class C cement+ 4% bwoc bentonite II + 5% bwoc MPA-5 + 0,25% bwoc FL-52 + 5 lbs/sack LCM-1 + 0.125 lbs/sk Cello Flake+ 0.005 lbs/sk Static Free+ 0.005 gps FP-6L + 1.2% bwoc Sodium Metasilicate + 5% bwow Sodium Chloride (12.5 ppg, 2.13 cfps, 8.81 gps wtr)

Tail: 200 sx class C cement (14.80 ppg, 1.33 cfps, 6.35 gps wtr)

With (2) DV Tools (100% excess on lead & 100% excess on tail to design for cement top at surface)

Assuming one DV tool set at 3950' and one DV tool set at 1800' but if the setting depths change, cement volumes will be adjusted proportionately.

Stage 1

Lead: 400 sx (35:65) paz (fly ash) class C cement+ 4% bwoc Bentonite II+ 5% bwoc MPA-5 + 0,25% bwoc FL-52 + 5 lbs/sack LCM-1 + 0.125 lbs/sk cello flake+ 0.005 lbs/sk defoamer + 0.005 gps FP-6L + 1.2% bwoc Sodium Metasilicate + 5% bwow Sodium Chloride (12.5 ppg, 2.13 cfps, 8.81 gps wtr)

Tail: 200 sx class C cement (14.80 ppg, 1.33 cfps, 6.35 gps wtr)

Stage 2

Lead: 600 sx (35:65) paz (fly ash) class C cement+ 4% bwoc bentonite II + 5% bwoc MPA-5 + 0,25% bwoc FL-52 + 5 lbs/sack LCM-1 + 0.125 lbs/sk Cello Flake+ 0.005 lbs/sk Static Free+ 0.005 gps FP-6L + 1.2% bwoc Sodium Metasilicate + 5% bwow Sodium Chloride (12.5 ppg, 2.13 cfps, 8.81 gps wtr)

Tail: 200 sx class C cement (14.80 ppg, 1.33 cfps, 6.35 gps wtr)

Stage 3

Lead: 600 sx (35:65) paz (fly ash) class C cement+ 4% bwoc bentonite II + 5% bwoc MPA-5 + 0,25% bwoc FL-52 + 5 lbs/sack LCM-1 + 0.125 lbs/sk Cello Flake+ 0.005 lbs/sk Static Free+ 0.005 gps FP-6L + 1.2% bwoc Sodium Metasilicate + 5% bwow Sodium Chloride (12.5 ppg, 2.13 cfps, 8.81 gps wtr)

Tail: 200 sx class C cement (14.80 ppg, 1.33 cfps, 6.35 gps wtr)

Matt Dickson Drilling Engineer (432)689-5204 mdickson@legacylp.com