

Submit 1 Copy To Appropriate District Office  
District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
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 DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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"/> <b>LAG</b> 2. Name of Operator <b>LEGACY RESERVES OPERATING LP</b> 3. Address of Operator <b>P.O. BOX 10848 MIDLAND, TX 79702</b> 4. Well Location Unit Letter <b>P</b> : <b>660</b> feet from the <b>SOUTH</b> line and <b>660</b> feet from the <b>EAST</b> line Section <b>3</b> Township <b>23S</b> Range <b>37E</b> NMPM County <b>LEA</b> 11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>3296' GR</b>		WELL API NO. 30-025-10599 ✓
		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> 6. State Oil & Gas Lease No. 7. Lease Name or Unit Agreement Name <b>SKELLY PENROSE A UNIT</b> ✓ 8. Well Number <b>40</b> ✓ 9. OGRID Number <b>240974</b> 10. Pool name or Wildcat <b>Langlie Mattix; 7 Rvrs-Queen-Grayburg</b>

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: INSTALL LINER, ACIDIZE AND RTI ☒

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.

---SEE ATTACHED PROCEDURE AND CHART---

12/13/13 RAN MIT PRESSURED CASING TO 520 PSI, HELD FOR 30 MINUTES. WITNESSED BY NMOC.D.

Spud Date:

Rig Release Date:

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

SIGNATURE *Laura Pina* TITLE REGULATORY TECH DATE 12/19/2013

Type or print name LAURA PINA E-mail address: lpina@legacylp.com PHONE: 432-689-5200

For State Use Only

APPROVED BY: *Mark Whitaker* TITLE Compliance Officer DATE 12/26/2013

Conditions of Approval (if any):

DEC 30 2013

## Legacy Reserves

### DAILY OPERATIONS REPORT

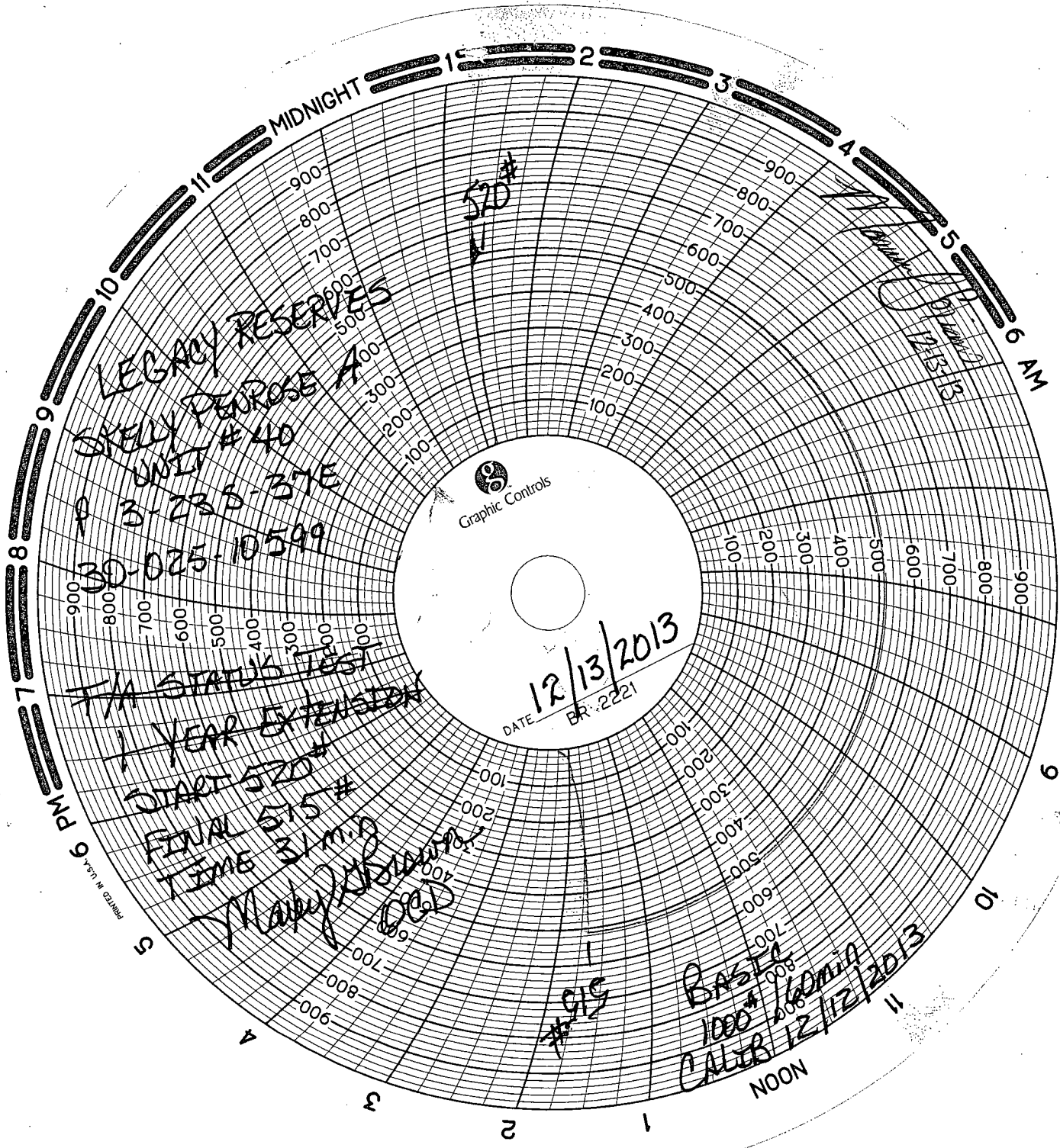
#### Skelly Penrose A Unit # 40

Lea Co., NM

#### INSTALL 3 1/2" LINER, ACIDIZE , RTI

Jul 31, 2013- Nov 14, 2013

MIRU pulling unit and reverse unit. Pick up 4 1/4 bit", 4- 3 1/8 collars and tbg. Tag plug at 3255'. Drilling out plug. Drilling on piece of plug 3325-3350'. Getting scale and rubber. Made bit trip. Tag at 3350'. Drilling to 3367'. Tag at 3367'. Wash down to 3380'. Drilling on plug. Lots of casing pieces in bit and bit. RIH with 4 1/8" shoe and tbg to 3380'. Mill to 3386'. Getting back metal, scale and some rock. Ran 4" lead impression block on tbg to 3377'. RIH with 3 7/8" tapered mill to 3382'. Milled 3 hrs , Made 2 ' to 3384'. RIH with 3 7/8" concave mill to 3384'. Mill to 3387'. Getting back fine cast iron cuttings. Milling 3386-3390'. Fell thru. Milling scale to 3460'. RIH with 4 1/4" tapered mill to 3382'. Drop to 3450'. RIH with 4 1/4" bit , collars and tbg to 3450'. Drilling scale to 3510'. Had pieces of metal plugging bit. Change bit. RIH to 3510'. Drilling on hard scale to 3565'. RIH w/ used bit and tbg to 3565'. Drilling hard scale to 3633'. Change out bit. RIH to 3637'. RIH with 4 1/4" mill to 2950'. Tag and can't get down. RIH with 4.25" cone buster mill, collars and tbg to 3622'. Tag mill thru spot. Tag at 3636'. Milling on scale to 3644'. Drilling on hard scale 3644-3660'. Getting back hard scale. RIH with 4.25" bit, casing scraper, and tbg to 3500'. TOH. RIH with packer and plug to 55' and tag. RIH with long tapered mill past 55'. No tag. Try pkr and plug alone. Tag at 55'. TIH with 4.25" swage, bumper sub, jars and 1 stand collars to 55'. RIH with 4 1/4" tapered mill and swivel to 90' turning as going down. RIH with plug to 3500'. Won't set. Came up hole and set at 3415'. RIH with packer. Packer will not go past 55'. Wait on new packer. Ran new packer to 3385'. Csg would not test. Pull up to 3200'. Tested 500# from 3200'- surface. POH pkr and plug. RIH with 4" mill and tbg to 3660'. Circ 80 bbls 2%. TOH. Laying down tbg. Run liner. RIH guide shoe, 1 jt liner, float collar, 119 jts 3 1/2", 9.3#, J55 DST4 FJ flush joint liner and XO. Tagged at 3630 and washed down to 3647'. End Of Liner at 3647' Circ clean. Set liner on wellhead slips and packed off. Rig up Cement Specialties. Cmt w/ 125 sxs Super C 65/35, 5% Salt, Yield 2.06 ft3/sx, Wt 12.0 PPG. Pumped slurry of 45 bbls. Bumped from 250 to 600 psi. Floats held. Circ 11 bbls cmt and 29 sxs cmt to half frac. WOC. RU reverse unit. RIH with 2 3/4" bit and 2 1/16" workstring to 3615'. Tag cmt. Drill out float collar and cement to 3643'. Rig up wireline. Ran GR/CNL logs from 3645-3000'. RD pulling unit waiting on frac stimulation. MIRU pulling unit. RU wireline. Perforate 3 1/2" csg from 3,544'-3,644', 24 total holes, 2 SPF at 3,644', 3,636', 3,628', 3,618', 3,609', 3,603', 3,594', 3,584', 3,574', 3,566', 3,554' and 3,544'. MIRU acidizing company. Acidize new perforations with 3,500 gal of 15% NEFE HCL acid & 36 ball sealers down 3 1/2" casing at 5.8 BPM and 2,344 psi. ISIP- 1,266 psi. Flowback to frac tank. Pumped 30 bbls brine down casing to kill. Note: Elected to acidize well instead of frac stimulate as unable to secure frac company to pump small frac job. Run in hole w/ pkr and IPC tubing. RIH w/ 3 1/2" Arrowset-1 packer (nickel-plated), 2 1/16" seating nipple (nickel-plated) and 107 joints of 2 1/16", 3.25#, IJ 10 RD tubing, 20' of 3 1/2" tbg subs (2', 4', 6', 8') & 1 more joint on top. Bottom of packer at 3,534' (set 10' above top perf). NU wellhead. Circ 20 bbls packer fluid down casing and out tbg. Set btm of packer at 3,534'. RU chart recorder & pressured annulus to 550 psi. Left well shut in. RD and move off. Leave well shut in waiting to lay injection line.



LEGACY RESERVES

SKELLY DEPOSE A  
UNIT # 40  
P 3-235-37E  
30-025-10549

T/A STATUS TEST  
1 YEAR EXTENSION

START 520  
FINAL 515  
TIME 31 m.d

Marty  
DOD

DATE 12/13/2013  
BR 2221

SIS

BASIC  
1000  
CALIB 12/12/2013

Graphic Controls