Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBS OCD

APR 14 2017

RECEIVED

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

COPY

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

5. Lease Serial No.
NMLC065375A

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
LEA UNIT 62H

2. Name of Operator
LEGACY RESERVES OPERATING LP

Contact: MATT DICKSON
E-Mail: mdickson@legacylp.com

9. API Well No.
30-025-43247

3a. Address
303 W WALL ST STE 1800
MIDLAND, TX 79701

3b. Phone No. (include area code)
Ph: 432-689-5200

10. Field and Pool or Exploratory Area
LEA;BONE SPRING, SOUTH

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 19 T20S R35E NESW 2270FSL 2560FWL

11. County or Parish, State
LEA CO COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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 recomplete 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 recompletion 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.

Drilling operations summary attached.

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #372808 verified by the BLM Well Information System
For LEGACY RESERVES OPERATING LP, sent to the Hobbs

Name *(Printed/Typed)* MATT DICKSON — Title DRILLING ENGINEER

Signature (Electronic Submission) — Date 04/12/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By — Title — Date

Accepted for Record Only
MUST BE APPROVED BY BLM

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 43 U.S.C. Section 1212, 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)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Lea Unit #62H – Sundry Notice

Drilling Operations

17-1/2" Hole

15-Jan-17: Spud well at 08:00 hrs.

17-Jan-17: Drilled 17-1/2" hole to 1,861'MD (TD). Ran 44 joints of 13-3/8", 54.5#, J-55, STC casing set @ 1,861'. Pumped lead cement: 1300 sx of Class C, 13.7 ppg, 1.71 yield, followed by tail cement: 200 sx Class C, 14.8 ppg, 1.32 yield. Circulated 690 sx / 210 bbls of cement to surface. WOC 24 hours.

18-Jan-2017: Weld on "A" section (13-5/8", 3M x SOW), nippled up BOPs and tested. Installed Cameron 13-5/8" x 3K wellhead and test to 800 psi (good). Installed 13-5/8" x 5K mud cross, double-ram preventer annular preventer, rotating head bowl and flow nipple. Test BOP, top-drive, floor valves and mud lines to 250 psi low / 5000 psi high. Tested annular preventer to 250 psi low / 2500 psi high, and tested 13-3/8" surface casing to 1500 psi (good). Tested casing to 1500 psi.

12-1/4" Hole:

20-Jan-2017: Drilled 12-1/4" hole to 4286' with 10 ppg brine. Lost full returns at 4165' and attempted to pump LCM with no success.

22-Jan-2017: Switched to fresh water and drilled 12-1/4" intermediate hole to a TD of 5,603' with no returns. Ran 34 joints of 9-5/8" 40#, HCL-80, LTC casing and 91 joints of 9-5/8" 40#, J-55, LTC casing set @ 5,400' w/DV Tool @ 3,762' and 1,836'.

23-Jan-2017: Casing stuck at 5400'. Worked piped unsuccessfully, unable to pump (casing was packed-off). Perforated the casing as follows in attempt to be able to pump.

- 5165': 6 shots – could not pump
- 5050': 6 shots – could not pump
- 4975': 6 shots – could not pump
- 4935': 6 shots – could not pump
- 4893': 6 shots – worked pipe and were able to pump, ran a free point (free at 4768').

24-Jan-2017: Cemented as follows: Pumped 1st Stage through the perforations above: 400 sx of Class C neat.

25-Jan-2017: Waited on cement for 6 hrs and could not fill the wellbore. Ran a slick line and tagged up at 5100'. Pumped 1st Stage a second time: 400 sx of Class "C" neat. Waited on cement for 5 hrs. Ran a slick line and tagged up at 4600'. Filled the wellbore and monitored, the well was static. Pressured up the casing to inflate the external casing packer at 3761' and dropped the plug to open the stage tool. Pumped 2nd Stage: Lead: 1625 sx of Class C, 12.6 ppg, 2.06 cuft/sx. Tail: 400 sx of Class C, 14.8 ppg, 1.33 cuft/sx. Circulated 777sx / 285 bbls of cement to the surface. Shifted stage tool closed with plug and pressured up casing to inflate the external casing packer at 1836'. Dropped cancellation plug to shift stage tool at 1836' and cancelled third stage cement job.

26-Jan-2017: Installed the "B" section (11", 5M x 13-5/8", 3M), nippled up the BOP's and tested to 1500 PSI. Installed 13-5/8" x 5K Double Ram Preventer & 5K annular. Tested BOPE, choke manifold and all valves to 250 psi low / 5000 psi high. Tested annular preventer to 250 psi low / 2500 psi high. Tested 9-5/8" casing to 1500 psi (all test good). Drilled out 9-5/8" casing to 4600'.

27-Jan-2017: Pressure tested to 1500 psi. Cleaned out cement to 5000' (end of cement). Performed FIT test (no good). Squeezed shoe with 225 sx of Class "C" neat, 1000 psi and 1.5 bbls.

28-Jan-2017: Cleaned out shoe and performed FIT (700 psi, 11 ppg EMW). Clean out hole to 5600'.

8-3/4" Pilot Hole:

4-Feb-2017: Drilled vertical 8-3/4" pilot hole to 11,700' with cut brine.

5-Feb-2017: Ran open hole logs.

6-Feb-2017: Plugged back the pilot hole as follows: 11,660' – 11,250': Spotted a 215 sx Class H, 15.6 ppg, 1.18 cuft/sx isolation plug. Waited on cement for 5 hrs. Tagged top of isolation plug at 11,250' with drill pipe. 11,250' – 10,256': Spotted a 500 sx Class H, 17.5 ppg, 0.94 cuft/sx kick-off plug.

7-Feb-2017: Tagged top of kick-off plug at 10,256' with clean-out BHA and cleaned out cement down to kick-off point.

8-3/4" Lateral Hole:

8-Feb-2017: Displaced the well with oil-based mud.

19-Feb-2017: Drilled lateral to 16,300' MD when total lost returns occurred. Tripped out of hole to lay down directional BHA.

20-Feb-2017: Tripped in the hole with a tri-cone bit to fight lost returns. At 11,000' MD: Pumped 400 bbls of LCM. Pumped a second 400 bbls of LCM. At 10,450' MD: Pumped 400 bbls of LCM.

21-Feb-2017:At 16,275' MD: Pumped 400 bbls of LCM. Pumped a second 400 bbls of LCM. At 8500' MD: Pumped 400 bbls of LCM.

22-Feb-2017: After no success using LCM pills. Ran an open hole packer to 10,000' MD, found lost returns zone was above 10,000' MD. Spotted the following cement plugs to isolate the problem. 7200' – 6260': Spotted a 500 sx Class "H" neat (15.6 ppg, 1.06 cuft/sx) cement plug. Tagged at 6260' with drill pipe. Could not circulate the hole. 6260' – 5423': Spotted a 300 sx Class "H" neat (15.6 ppg, 1.06 cuft/sx)cement plug. Tagged at 5423' with drill pipe. Could not circulate the hole.

23-Feb-2017: 5423' – 5413': Spotted a 200 sx Class "H" neat (15.6 ppg, 1.06 cuft/sx)cement plug. Tagged at 5413' with drill pipe. Could not circulate the hole. 5413' – 4626': Spotted a 400 sx Class "C" neat (14.8 ppg, 1.32 cuft/sx)cement plug. Tagged at 4626' with drill pipe. Could not circulate the hole. Tested BOP, choke manifold, all valves to 250 low, 5000 high, annular to 250 low, 2500 high, tested casing to 1500 & r/d same.

24-Feb-2017: Ran a 60 arm casing caliper log, found: Potentially buckled casing from 3900' to 4280'. Potential hole in the casing at 4178'. Pumped clean water and ran a camera in the well. Could not determine anything definitively.

25-Feb-2017: 4626' – 4215': Spotted a 400 sx Class "C" neat (14.8 ppg, 1.32 cuft/sx)cement plug. Tagged at 4215' with drill pipe. Could not circulate the hole. 4215' – 4183': Spotted a 400 sx Class "C" neat (14.8 ppg, 1.32 cuft/sx)cement plug. Tagged at 4183' with drill pipe. Could not circulate the hole.

26-Feb-2017: 4183' – 3939': Spotted a 400 sx Class "C" neat (14.8 ppg, 1.32 cuft/sx)cement plug. Tagged at 3939' with drill pipe. Filled casing with 75 bbls and could circulate the hole.

27-Feb-2017: Cleaned out cement to 4183'. Attempted to pressure test the casing with no success. Tripped in the hole to 4204' (no cement). Spotted the following cement plugs.

28-Feb-2017: 4183' – 4100': Spotted a 200 sx Class "C" neat (14.8 ppg, 1.32 cuft/sx)cement plug. Successfully filled the casing with water and pressure tested to 500 psi. Tagged at 4100'.

28-Feb-2017: Cleaned out cement to 4183'. Could not pressure test. Established an injection rate at 2 BPM with 275 psi. 4182' – 3700': Spotted a 200 sx Class "C" neat (14.8 ppg, 1.32 cuft/sx) cement plug. Squeezed 1.5 bbls with 500 psi. Held 500 psi on the cement for 4 hrs. Cleaned out cement to 4225', attempted to pressure test the casing with no success.

1-Mar-2017: 4216' – 3616': Spotted a 250 sx Class "C" neat (14.8 ppg, 1.32 cuft/sx) cement plug. Squeezed 0.5 bbls with 500 psi. Held 500 psi on the cement for 4 hrs. Cleaned out cement to 4225', attempted to pressure test the casing with no success. 4215' – 3671': Spotted a 250 sx Class "C" neat (14.8 ppg, 1.32 cuft/sx) cement plug. Squeezed 1.0 bbls with 650 psi. Held 650 psi on the cement for 4 hrs.

2-Mar-2017: Cleaned out cement to 4225', attempted to pressure test the casing with no success. 4225' – 4181': Spotted a 50 sx Class "C" neat (14.8 ppg, 1.32 cuft/sx) cement plug. Squeezed 12.0 bbls with 500 psi. Held 500 psi on the cement for 4 hrs. Cleaned out cement to 4225', attempted to pressure test the casing with no success. Injection rate was 1 BPM @ 250 psi.

3-Mar-2017: 4225' – 4066': Spotted a 50 sx Class "C" neat (14.8 ppg, 1.32 cuft/sx) cement plug. Squeezed 6.0 bbls with 500 psi. Held 500 psi on the cement for 4 hrs. Cleaned out cement to 4225',

pressure tested the casing to 500 psi, lost 100 psi in 1 hr. Pressure tested again to 750 psi, lost 80 psi in 1 hr.

4-Mar-2017: Cleaned out cement to 5200' and lost total returns. 5193' – 4517': Spotted a 250 sx Class "C" neat (14.8 ppg, 1.32 cuft/sx)cement plug. Tagged at 4517' with drill pipe. Could not circulate the hole. 4517' – 4275': Spotted a 130 sx Class "C" neat (14.8 ppg, 1.32 cuft/sx)cement plug. Tagged at 4275' with drill pipe. Could not circulate the hole. 4242' – 4228': Spotted a 250 sx Class "C" neat (14.8 ppg, 1.32 cuft/sx)cement plug.

5-Mar-2017: Squeezed 10.0 bbls with 70 psi. Waited 30 minutes, squeezed 15 bbls with 100 psi. Held 100 psi on the cement for 4 hrs. Cleaned out cement to 4250', pressure tested the casing to 700 psi, lost 300 psi in 30 min. Had full circulation and unable to establish an injection rate.

6-Mar-2017: Clean out cement to 7277'. Tripped in the hole freely to 9000'. Cleaned out the wellbore to 11,500' MD.

7-Mar-2017: Tripped to move the HWDP, continued to clean out to 12,700' and lost complete returns.

8-Mar-2017: Unsuccessfully attempted to pump a polymer plug to regain circulation.

11-Mar-2017: Rigged up and ran an Enventure expandable liner (7-5/8" x 9-5/8", EX-80, Drift: 7-7/8", Wall Thickness: 0.354") from 3781' to 4321'. Pressure tested to 1500 psi. Cleaned out liner and cleaned out the wellbore to 16,300' MD.

18-Mar-2017: TD 8-3/4" production hole @ 18,938' MD / 11,341' TVD. Lost complete returns. Conditioned the hole, spotted a lubricant pill in the lateral and tripped out of the hole laying down the drill pipe.

20-Mar-2017: Ran 459 joints of 5-1/2" 20#, HCP-110, GBCD casing set @ 18,938' MD. Cemented as follows: Lead cement: 1800 sx of Class H, 11.9 ppg, 2.47 cuft/sx followed by tail cement: 1700 sx of Class H, 12.6 ppg, 1.62 cuft/sx. Did not circulate cement to surface, had 1700 psi of lift pressure.

21-Mar-2017: Set slips on the 5-1/2" casing and nippled up the tubing head (7-1/16", 10M x 11", 5M) and tested to 1800 psi (good). Release rig @ 06:00 hours.

24-Mar-2017: Braden-Head squeezed 200 sx of Scavenger Cement 12.8 ppg, 2.06 cuft/sx, followed by 600 sx class C, 14.8 ppg, 1.33 cuft/sx, followed by an additional 720 sx 14.8 ppg, 1.33 cuft/sx. Pressured up to 600 psi, shut down for ten minutes and pressured back up to 600 psi. Shut-in with 580 psi. Preparing well and location for completion operations.

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