

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs
HOBBS OCD

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

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.

MAR 19 2013

5. Lease Serial No.
NM57535

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

PO BOX 10848
MIDLAND, TX 79702

3b. Phone No. (include area code)

432-689-5200

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

2466' FNL & 1980' FEL, UNIT LETTER G, SEC 5, T16S, R34E

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

8. Well Name and No.
N H 5 FEDERAL #1

9. API Well No.
30-025-29769

10. Field and Pool or Exploratory Area
HUME; WOLFCAMP, NORTH

11. County or Parish, State
LEA 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

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☒ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

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.)

FORMATION - WOLFCAMP

WATER PRODUCED - 9 bbl PER DAY

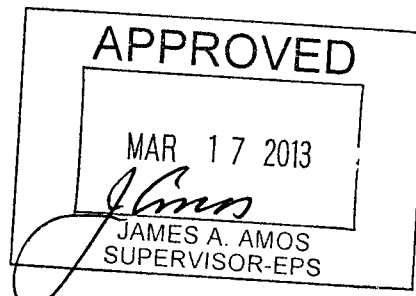
STORED - WATER TANK

MOVED - TRUCKED

DISPOSAL - WATSON SWD

LOCATION - 16-T16S-R36E, LEA COUNTY, NM

PERMIT - NM OCD-213



SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

KEVIN BRACEY

Title OPERATIONS SUPERINTENDENT

Signature

Date 02/19/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Petroleum Engineer

MAR 21 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.

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)

MAR 21 2013

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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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" type="checkbox"/> Water Disposal	

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Office

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(Instructions on page 2)

**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Conditions of Approval

**Legacy Reserves Operating LP
Martinez 31 Federal #1
Lease NM13237 3001523195**

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
2. Submit for approval of water disposal method.
3. Submit updated facility diagrams as per Onshore Order #3
4. This agency shall be notified of any spill or discharge as required by NTL-3A.
5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
6. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
7. Subject to like approval by NMOCD.

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.

WOLF CAMP

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

9 bbl per day

3. How water is stored on the lease.

30000 gal Tank

4. How water is moved to disposal facility.

Truck

5. Operator's of disposal facility

a. Lease name or well name and number WATSON SWD

b. Location by ¼ ¼ Section, Township, and Range of the disposal system _____

Sec 16 T16S - R36E

c. The appropriate NMOCD permit number _____

Permit # 213

Production Phase

- PU 1 closed fill line for oil Tank
- PU 2 closed fill line for oil Tank
- PU 3 OPEN fill line for oil Tank
- PU 4 closed fill line for oil Tank
- PU 5 closed to Poll Bottoms (Sealed)
- PU 6 closed to Poll Bottoms (Sealed)
- PU 7 closed to Poll Bottoms (Sealed)
- PU 8 closed to Poll Bottoms (Sealed)
- PU 9 closed to EQUAL line
- PU 10 closed to EQUAL line
- PU 11 closed to EQUAL line
- PU 12 closed valve on end of line to Poll Bottoms
- PU 13 OPEN fill line to water Tank

Sales Phase

- SU 1 closes load line on oil Tank (Sealed)
- SU 2 closes load line on oil Tank (Sealed)
- SU 3 closes load line on oil Tank (Sealed)
- SU 4 closes load line on oil Tank (Sealed)
- SU 5 closes load line on water Tank
- SU 6 closes load line valve on load line
- SU 7 closes load line valve on water Tank line

open when loading



WATER ANALYSIS REPORT

SAMPLE

Oil Co: LEGACY
Lease: NH 5
Well No.: FED-1
Location: TANK
Attention: ACCT. MANAGER

Date Sampled: 01/11/13
Date Analyzed: 01/14/13
Lab ID Number: 01/14/13LEGACYNH 5FED-1
Account Manager: B STRUBE
Requested By: LAB
File Name: 01/14/13LEGACYNH 5FED-1

ANALYSIS

1 pH 6.7
2 Specific Gravity 1.101
3 CaCO₃ Saturation Index @80 F 0.31
@140 F 1.16

DISSOLVED GASES

4 Hydrogen Sulfide
5 Carbon Dioxide
6 Dissolved Oxygen

MG/L	EQ. WT	MEQ/L
0		
48		
NOT DETERMINED		

CATIONS

7 Calcium (Ca⁺⁺)
8 Magnesium (Mg⁺⁺)
9 Sodium (Na⁺⁺) (Calculated)
10 Barium (Ba⁺⁺)

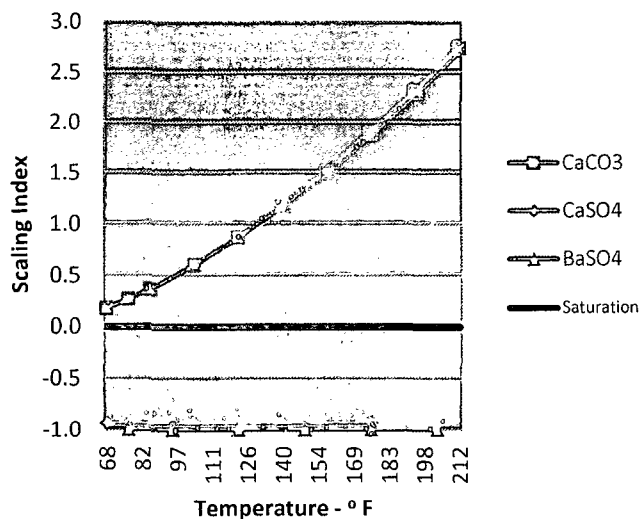
9,080	20.1	451.74
1,775	12.2	145.46
46,619	23.0	2026.90
0	68.7	0.00

ANIONS

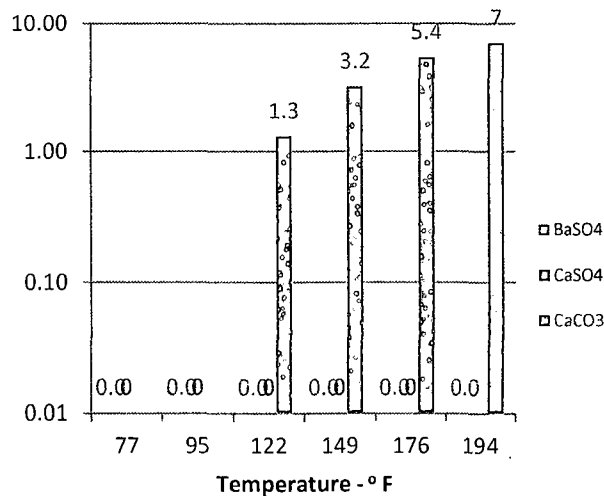
11 Hydroxyl (OH⁻)
12 Carbonate (CO₃⁻)
13 Bicarbonate (HCO₃⁻)
14 Sulfate (SO₄⁻)
15 Chloride (Cl⁻)
16 Total Dissolved Solids
17 Total Iron (Fe)
18 Total Hardness as CaCO₃
19 Resistivity-NaCl equivalent@ 69 °F

17.0	0.00
30.0	0.00
122	2.00
78	1.59
93,000	2619.72
150,735	
14	0.80
30,000	
0.0472	OHM~METERS

Composite
Kel-tech Scaling Index



Maximum
Amount of Scale in Pounds per 1000
BBLs



**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**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. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
6. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
7. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
8. 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 if you have not already done so.

9/22/09