

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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.*

5. Lease Serial No.
LC-029410B

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)

2510' FNL & 1650' FWL, UNIT LETTER F, SEC. 31, T-17-S, R-32-E

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

8. Well Name and No.
FOX FEDERAL #5

9. API Well No.
30-025-36585

10. Field and Pool or Exploratory Area

MALJAMAR; GRAYBURG-SAN ANDRES

11. County or Parish, State

LEA CO., NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 ADD SEVEN
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	RIVERS PAY & RTP
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 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.)

---SEE ATTACHED PROCEDURE---

Operator with drew comingling request - Blain Lewis 5/3/13
via e-mail

**SUBJECT TO LIKE
APPROVAL BY STATE**

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

BLAIN LEWIS

Title SENIOR ENGINEER

Signature

Blain Lewis

Date 01/28/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

Ka

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.

APPROVED

MAY 7 2013

Jennifer M. [Signature]

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD 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)

MAY 20 2013

PROCEDURE TO RECOMPLETE IN SEVEN RIVERS

Fox Federal #5
Maljamar Field
Lea County, New Mexico

Well Data: KB 12' AGL
5-1/2", 17# casing at 4860' with 825 sx, TOC at surface
Grayburg perfs: 3609'-3826', 3951'-3961' (total of 53 holes)
CIBP at 4040' above Grayburg/San Andres perfs 4053'-4233' (25 holes)
Un-perf'd Seven Rivers pay: 2642'-2839'
Unknown downhole rods and tubing

Volumes: 5-1/2" csg x 3-1/2" tbg annulus = 0.0113 bbls/ft
5-1/2" csg = 0.0232 bbls/ft
3-1/2" tbg = 0.0087 bbls/ft

- 1) **Day one:** MIRU pulling unit. POH and visually inspect rods and pump (\$15,000 is in AFE to replace rods if necessary). NU BOP. POH with tubing. Unload 4200' of 3-1/2", 9.3#, N-80, EUE, 8R work string.
- 2) **Day two:** RIH with 4-3/4" bit, casing scraper and production tubing. RIH to bottom at +/- 4040'. POH and lay down casing scraper and bit.
- 3) MIRU wireline unit. RIH with GR/CCL correlation log tools, get on depth with Schlumberger Litho-Density/ CNL log dated 4/4/04 and run GR/CCL log from bottom to 2600'. POH with logging tools. RIH with 3-1/8" slick gun and perf Seven Rivers with 1 shot at each of the following depths: 2839', 2775', 2744', 2729', 2728', 2727', 2710', 2683', 2643' and 2642' (10 holes). POH and RDMO wireline unit.
- 4) **Day three:** RIH with RBP, packer, SN and 3-1/2" tubing. Set RBP at +/- 3500'. MIRU acid equipment with 2,000 gallons 15% NEFE HCl, 21 - 7/8" RCN 1.3 SG ballsealers and +/- 150 bbls 2% KCl water. Pull one joint, set packer at +/- 3470' and test RBP to 5,000 psig for 5 min. Release packer, pull to +/- 2550', circulate hole with +/- 55 bbls 2% KCl water and reset packer at +/- 2550'. Test casing annulus to 500 psig for 15 min. and monitor throughout stimulations. RU to 3-1/2" tubing and treat Seven Rivers perfs 2642'-2839' at 4-6 BPM and 5,000 psig maximum with 2,000 gals (47.6 bbls) 15% NEFE HCl with 21 ballsealers in seven 3-ball groups every +/- 6 bbls acid. Flush to bottom perf with 28.9 bbls 2% KCl water. Report ISIP and 5-10-15 min. SIP's. RDMO acid equipment and prepare to frac.
- 5) **Day four:** MIRU frac equipment as per attached recommendation. NU frac valve and frac down 3-1/2" tubing at 15-20 BPM, 5000 psig maximum. Flush to top perf with 24.3 bbls 2% KCl water. Report ISIP and 5-10-15 min. SIP's. RDMO frac equipment and leave well SI overnight.
- 6) **Day five:** Open and flow down to tank. Release packer and POH laying down work string and packer.
- 7) RIH with BPMA, perf sub, SN, TAC and remainder of production tubing to set bottom of BPMA above perfs at +/- 2600', SN at +/- 2565' and TAC at +/- 2560'. ND BOP. NU wellhead.

- 8) **Day six:** RIH with 1.25" bore insert pump and rods, seat pump, space out and hang on pumping unit. Load and pressure test tubing. Put well on pump. RDMO pulling unit.
- 9) Optimize production rate by adjusting SPM or pump size as necessary. After testing new production interval, move PU back on well, clean out sand fill above RBP, recover RBP and commingle Seven Rivers and Grayburg perfs (do not drill out CIBP at 4040'). NOTE: Perfs 3609'-3961' will likely add 3 BOPD, 10 MCFPD and +/- 70 BWPD so may need to design for lifting +/- 150 BPD total fluid when perfs are commingled.

ESTIMATED COSTS:

Pulling unit – 8 days	\$ 40,000
Stimulation services	\$ 80,000
Wireline services	\$ 15,000
Rental tools	\$ 15,000
Contract labor	\$ 15,000
Rod string	\$ 15,000
4000' 2-3/8" tbg	\$ 14,000
Misc. equip	\$ 7,000
5% contingencies	<u>\$ 8,300</u>
TOTAL	\$209,300

PREPARED BY: Blain Lewis **Date:** 01/21/13

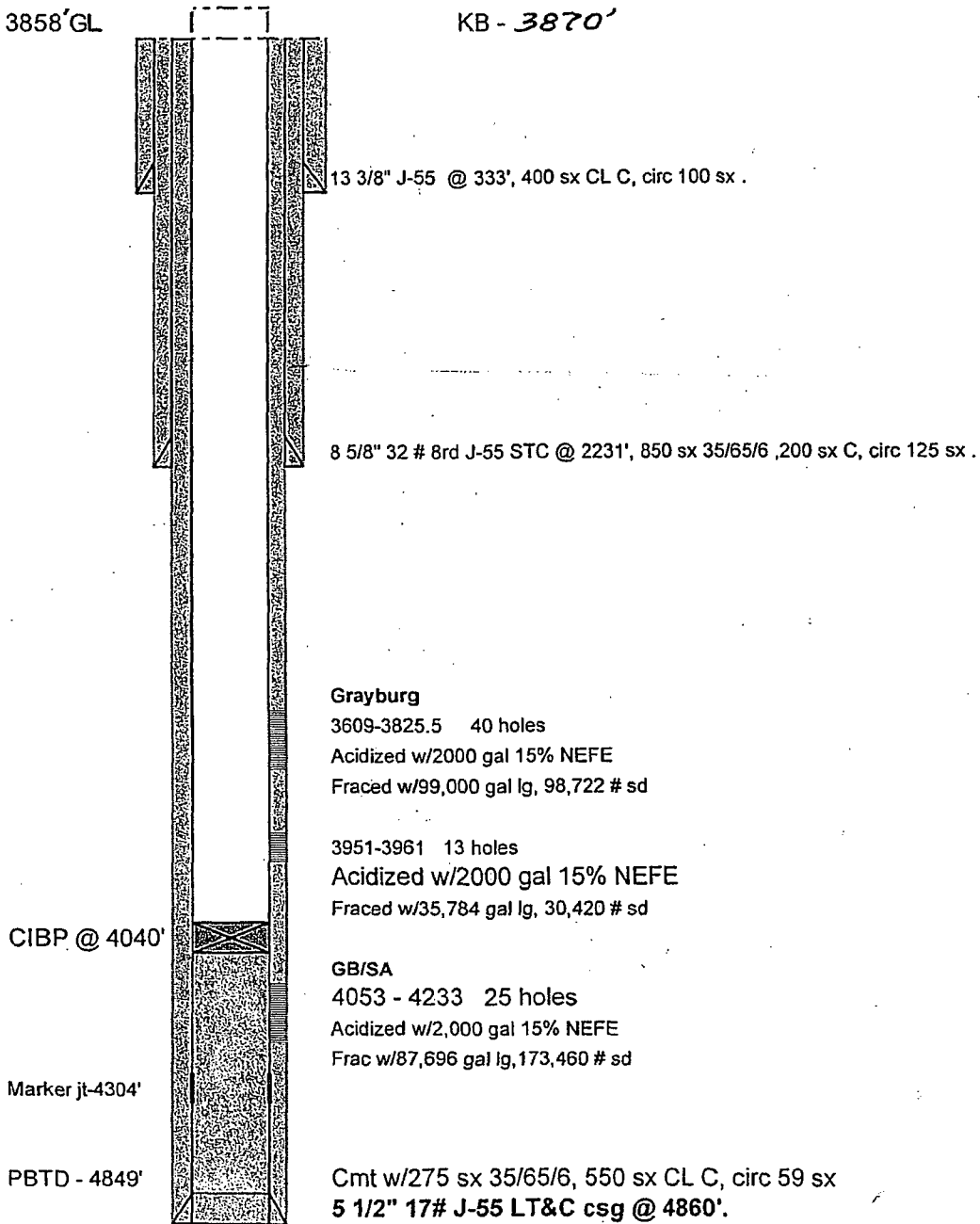
CURRENT WELLBORE DIAGRAM

Lease & Well # Fox Federal #5

SPUD - 3/21/04

Elevation - 3858'GL

KB - 3870'



BKL 1/13

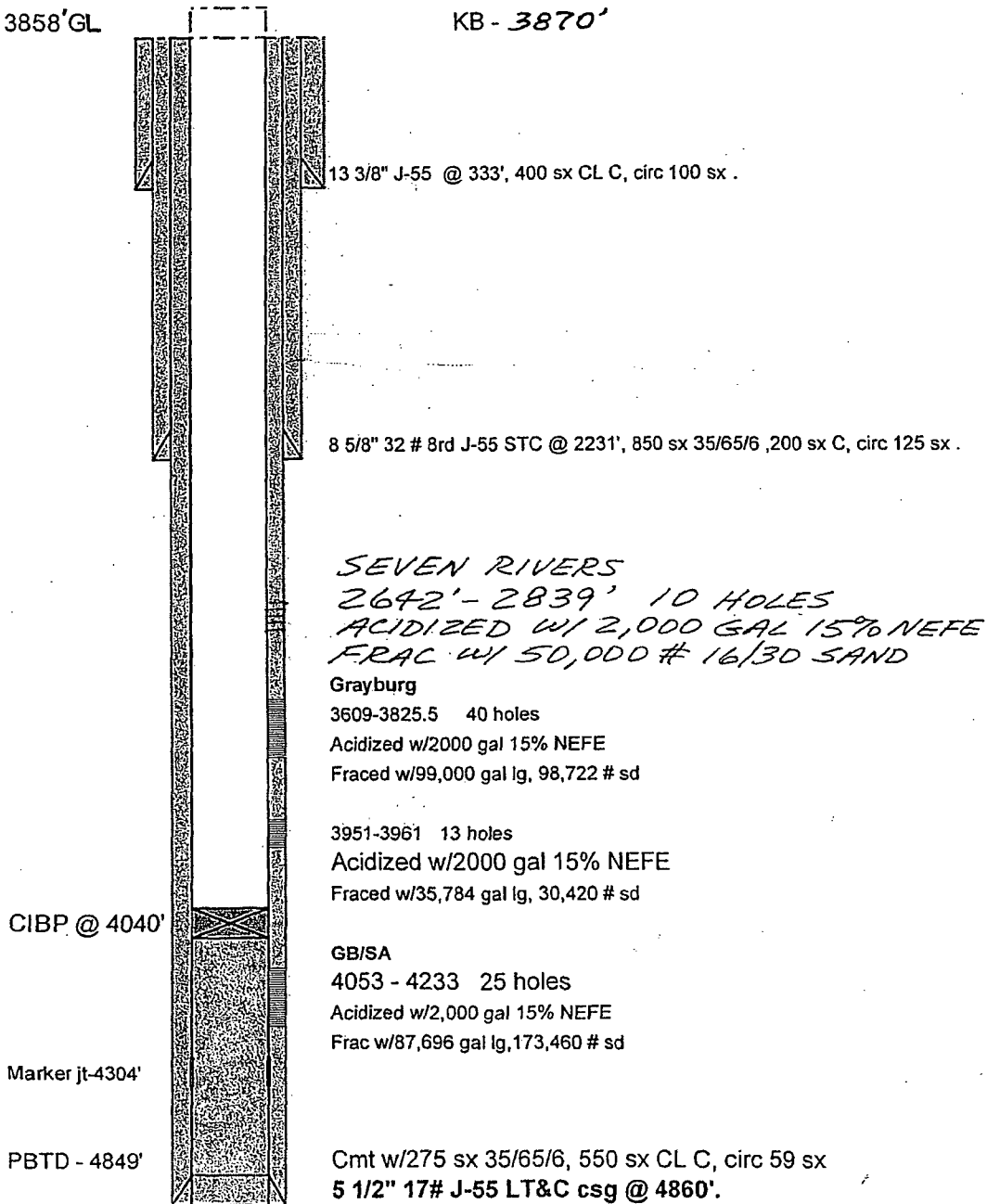
PROPOSED WELLBORE DIAGRAM

Lease & Well # Fox Federal #5

SPUD - 3/21/04

Elevation - 3858' GL

KB - 3870'



BKL 1/13

Conditions of Approval

Legacy Reserves Operating LP

Fox Federal 5

API 30-025-36585

May 07, 2013

Work to be completed by August 07, 2013.

1. Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15. Exceptions to these restrictions may be granted by BLM's Johnny Chopp <jchopp@blm.gov> 575.234.2227 or Bob Ballard <bballard@blm.gov> 575.234.5973.
2. **Operator shall place a CIBP at 3559' and place 35' neat class C cement on top. Tag required.**
3. **Must conduct a casing integrity test before perforating and fracturing. Submit results to BLM.**
4. **A CIT is to be performed on the production casing per Onshore Oil and Gas Order 2.III.B.1.h.**
5. **Make arrangements 24 hours before the test for BLM to witness. E-mail Paul R. Swartz pswartz@blm.gov or phone 575-200-7902, if there is no response, 575-361-2822. If no answer, leave a voice mail or email with the API#, workover purpose, and a call back phone number. Note the contact, time, & date in your subsequent report.**
6. **No commingling will be allowed without submitting an NOI. The NOI must be approved by both the BLM and NMOCD.**
7. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.
8. Surface disturbance beyond the originally approved pad must have prior approval.
9. Closed loop system required.

10. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
11. Operator to have H2S monitoring equipment on location.
12. A minimum of a 2000 (2M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
13. **Subsequent sundry required detailing work done and completion report for the new formation. Operator to include well bore schematic of current well condition when work is complete.**

JAM 050713