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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

HOBBS OGD CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
FEB 05 2014

WELL API NO. 30-025-32860
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 LOWE 20
8. Well Number 1
9. OGRID Number 240974
10. Pool name or Wildcat BRONCO;WOLFCAMP,SOUTHWEST

SUNDRY NOTICES AND REPORTS ON WELLS (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"/>	
2. Name of Operator LEGACY RESERVES OPERATING LP	
3. Address of Operator PO BOX 10848, MIDLAND, TX 79702	
4. Well Location Unit Letter <u>B</u> : <u>350</u> feet from the <u>NORTH</u> line and <u>1550</u> feet from the <u>EAST</u> line Section <u>20</u> Township <u>13S</u> Range <u>38E</u> NMPM County <u>LEA</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3827' GR	

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 ☐
 CLOSED-LOOP SYSTEM ☒
 OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐
 OTHER: REPAIR CASING & RTP ☒

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.

REPAIRED CASING AND RETURNED WELL TO PRODUCTION.

---SEE ATTACHED---

INSTALLED CLOSED-LOOP SYSTEM WITH STEEL TANKS. HAULED CONTENTS FROM CLOSED-LOOP SYSTEM TO APPROVED NMOCD DISPOSAL LOCATION ACCORDING TO RULE 19.15.17.

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 02/03/2014

Type or print name LAURA PINA E-mail address: PHONE: 432-689-5200

For State Use Only

APPROVED BY: Mary Brown TITLE Compliance Officer DATE 2/26/2014

Conditions of Approval (if any):

FEB 27 2014

Legacy Reserves
DAILY OPERATIONS REPORT - (All Days)

7/1/2012 thru 1/31/2014

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LOWE 20 # 1

LEA Co., NM

BOLO ID: 300125.01

Zone: WOLFCAMP Field: BRONCO SOUTHWEST

Hole in Csg

Oct 23, 2013 Wednesday (Day 1)

MIRU Lucky pulling unit, set pipe racks. Unseat pump and POOH with rods and pump. Rack and tally 2 7/8" N-80 workstring. SDFN.

Daily Cost: \$12,850

Cum. Cost: \$12,850

Oct 24, 2013 Thursday (Day 2)

Release the tubing anchor, nipple up the BOP. POOH with the 2 7/8" production tubing tally out of the hole. Production was as follows: 306 joints 2 7/8" tubing, 5 1/2" x 2 7/8" tubing anchor, 2 7/8" seating nipple, 4 joints 2 7/8" tubing, 4' x 2 7/8" perforated sub, bull plug. Total depth 9,496'. RIH with 5 1/2" packer and retrievable plug on N-80 2 7/8" workstring to 3,450'. SDFN

Daily Cost: \$8,110

Cum. Cost: \$20,960

Oct 25, 2013 Friday (Day 3)

Finished running in the hole with the packer and plug to 9,730' set the bridge plug and pulled up the hole 1 joint and set the packer and tested the plug to 1000 psi. Loaded the casing to surface pressured up to 500 psi and were pumping into a leak at 1 BBLS per min. Moved up the hole with the packer and isolated the leak from 5,708' to 5,740'. Established a rate of 1.5 BBLS per min from 575 psi up to 1,250 psi in 20 BBLS with the intermediate valve open but did not get circulation. SDFN.

area of leak

Daily Cost: \$10,560

Cum. Cost: \$31,520

Oct 28, 2013 Monday (Day 4)

Pulled the packer up the hole to 5,614', set the packer. MIRU Cudd acid trucks, loaded the casing with 10 BBLS 2% KCL and pumped 500 gallons of 15% acid into the leak at 5,708' to 5,740'. Pumped 1.5 BBLS per minute from 1,700 psi to 1,810 psi. Increased the rate to 2 BBLS per minute with pressures from 1,892 psi up to 2,006 psi. Flushed with 38 BBLS 2% fresh water and let the acid soak for 1 hour. Released the packer and RIH to 9,370' latched on the plug and released the plug. POOH with 2 7/8" workstring and tools to 3,500'. SDFN.

Daily Cost: \$12,410

Cum. Cost: \$43,930

Oct 29, 2013 Tuesday (Day 5)

Finished pulling out of the hole with the packer and plug. RIH with a 5 1/2" CIBP to 7,502' set the CIBP and POOH with the setting tool. SDFN.

Daily Cost: \$8,960

Cum. Cost: \$52,890

Oct 30, 2013 Wednesday (Day 6)

RIH with a 5 1/2" cement retainer to 5,644', pumped 35 BBLS through the retainer circulating to the half pit. Set the retainer and pump 300 sacks class C cement down the tubing circulating up the 8 5/8" casing to the half pit. With 8 BBLS of cement left in the tubing we shut the 8 5/8" valve and squeezed 2 BBLS into the leak up to 2,000 psi. shut down for 3 min and the pressure fell down to 1500 psi. Waited another 3 minutes and pumped 1 BBLS at 1/2 BBLS per minute up to 2000 psi, in 3 minutes the pressure fell to 1800 psi. Pumped another 1 BBLS at 1/2 BBLS per minute with the pressure going up to 2000 psi with no bleed off after 5 minutes. Stung out of the retainer and reversed clean leaving 10' of cement on top of the retainer. POOH with the setting tool and workstring. SDFN.

Daily Cost: \$23,360

Cum. Cost: \$76,250

Oct 31, 2013 Thursday (Day 7)

RIH WITH 4 5/8" bit, bit sub and 6 drill collars on 2 7/8" workstring to 5,520' SDFN.

Daily Cost: \$6,560

Legacy Reserves
DAILY OPERATIONS REPORT - (All Days)
7/1/2012 thru 1/31/2014
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LOWE 20 # 1

LEA Co., NM

BOLO ID: 300125.01

Zone: WOLFCAMP Field: BRONCO SOUTHWEST

Cum. Cost: \$82,810

Nov 1, 2013 Friday (Day 8)

finish running in the hole with the workstring, bit and collars. Started drilling on the cement at 5,638', drilled through the retainer at 5,644'. Fell out of cement at 5,735'. Closed the BOP and tested the casing to 500 psi. for 15 minutes, good test. RIH to 7,400' SDFN.

Daily Cost: \$8,760

Cum. Cost: \$91,570

Nov 4, 2013 Monday (Day 9)

Drilled out the CIBP at 7,502'. RIH to 9,573' tagged the retrievable plug, circulated the hole. POOH with the workstring and collars, layed down the collars and bit. RIH with a 5 1/2" x 2 7/8" 10-K packer and seating nipple, left the packer swinging at 5,677' SDFN.

Daily Cost: \$13,660

Cum. Cost: \$105,230

Nov 5, 2013 Tuesday (Day 10)

Finish running in the hole to 9,717' with the packer, circulate the well with 149 BBLS of 2% KCL and spotted 2 BBLS of 15% acid across the perms from 9,422'-9,516'. POOH to 9,360' and set the packer with the frac stack. Pressured the casing to 500 psi. Pumped 5,000 gallons of 15% acid with 69 ball sealers: Established a rate of 7.7 BBLS per minute at 2,710 psi. Pumped 20 BBLS of acid ahead, then pumped 77 BBLS of acid with 69 balls in 9 ball drops, with 20 BBLS of acid for the tail. Flushed the acid to the bottom perf with 57.7 BBLS of 2% KCL water. Max rate 7.9 BBLS per minute, average rate 7.7 BBLS per minute, max pressure 5,144 psi, average pressure 3,350 psi, min pressure 1,660 psi, ISIP 1,060 psi, 5 minute 562 psi, 10 minute 524 psi, 15 minute 515 psi. Shut in the well for 1 hour, start flowing back. Flowed for 45 minutes recovered 22 BBLS of water. 1st hour of swabbing tagged fluid at surface, made 3 runs, recovered 22 BBLS, 100% water, no gas, left the fluid at 2,300'. Total load pumped 202 BBLS. Total load recovered 44 BBLS. SDFN.

Daily Cost: \$28,460

Cum. Cost: \$133,690

Nov 6, 2013 Wednesday (Day 11)

Tubing pressure 0 psi, casing pressure 0 psi. 1st hour of swabbing tagged fluid at 800', made 3 runs, recovered 19 BBLS, all water, no gas. 2nd hour tagged fluid at 1,200', made 4 runs, recovered 29 BBLS, all water, no gas. 3rd hour tagged at 1,200' made 4 runs, recovered 2 BBLS due to not beeing able to get the swab to get more than 200' below where we tagged the fluid. 4th hour tagged at 1,200', made 4 runs, recovered 25 BBLS, all water, no gas. 5th hour tagged at 1,200', recovered 28 BBLS, all water, no gas. 6th hour tagged at 1,200', made 4 runs, recovered 22 BBLS, all water, slight gas. 7th hour tagged at 1,200', made 4 runs, recovered 24 BBLS, all water, slight gas. 8th hour tagged at 1,200', made 4 runs, recovered 25 BBLS, all water, slight gas. 9th hour tagged at 1,400', made 4 runs, recovered 19 BBLS, all water, slight gas. Last tag was at 1,450'. Total load recovered 235 BBLS. SDFN.

Daily Cost: \$7,560

Cum. Cost: \$141,250

Nov 7, 2013 Thursday (Day 12)

0 psi on the tubing. Tagged fluid at 1,350', made 4 runs, recovered 21 BBLS, all water, slight gas. Release the packer and POOH laying down the workstring. Started in the hole with the production tubing, ran 15 stands testing in the hole and replacing pitted collars. SDFN.

Daily Cost: \$11,560

Cum. Cost: \$152,810

Nov 8, 2013 Friday (Day 13)

Finished running in the hole with the production tubing. Nipple down the BOP and nipple up the wellhead. Start in the hole with the rod string. SDFN.

Daily Cost: \$31,560

Cum. Cost: \$184,370

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LOWE 20 # 1

LEA Co., NM

BOLO ID: 300125.01

Zone: WOLFCAMP Field: BRONCO SOUTHWEST

Nov 11, 2013 Monday (Day 14)

Finish running in the hole with the rod string, load and test the pump to 500 psig good test. RDMO Lucky pulling unit.
SDFN.

Daily Cost: \$6,410

Cum. Cost: \$190,780