

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 July 18, 2013

HOBBS OGD
SEP 18 2014
RECEIVED

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-005-01023

5. Indicate Type of Lease

STATE ☐

FEE ☐

FED ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

DRICKEY QUEEN SAND UNIT

8. Well Number 32

9. OGRID Number

240974

10. Pool name or Wildcat

CAPROCK; QUEEN

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 ☐ Gas Well ☐ Other INJECTION ☒

2. Name of Operator

LEGACY RESERVES OPERATING LP

3. Address of Operator

PO BOX 10848, MIDLAND, TX 79702

4. Well Location

Unit Letter G : 1980 feet from the NORTH line and 1980 feet from the EAST line

Section 10 Township 14S Range 31E NMPM County CHAVES

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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: STEP RATE TEST ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ P AND A ☐

CASING/CEMENT JOB ☐

OTHER: ☐

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---

PROVIDE S.R.T. RESULTS
TO SANTA FE FOR APPROVAL

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 09/17/2014

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

For State Use Only

APPROVED BY: Mary Brown TITLE Dist. Supervisor DATE 9/18/2014

Conditions of Approval (if any):

SEP 18 2014

Step rate test

1. Shut well in a minimum of 48 hours prior to test. If the well is injecting CO₂, switch to water a minimum of 2 weeks prior to the test.
2. RIH with pressure tool to top of perforations or end of casing in an open hole completion.
3. Record static surface pressure and bottom hole pressure.
4. Begin injection at 50-150 BWPD. Continue for 15-30 minutes until surface injection pressure gain stabilizes.
5. Increase injection rate by a 50-150 BWPD and maintain rate until pressure gain is 1 psi per minute or less. This increase in rate will be used for each step throughout the test. The amount of time is the step length that will be used for the remainder of the test.
6. Continue making steps at the same rate increase as number 5. above recording the surface pressure and bottom hole pressure at the end of the step.
7. Plot/graph the bottom hole pressure recorded as a function of the rate for each step. Ideally, a plot of two straight lines will be developed where the second straight line has a lower slope than the first. The test is complete when 3 points connect on the second, higher-rate straight line. The intersection of these two lines represents the bottom hole fracture pressure of the well.