

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOC

Hobbs

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

| | | |
|--|---|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM0766 |
| 2. Name of Operator LEGACY RESERVES OPERATING LP - Mail: jsaenz@legacyp.com | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 303 W WALL SUITE 1600 MIDLAND, TX 79702 | 3b. Phone No. (include area code) Ph: 432-689-5200 | 7. If Unit or CA/Agreement, Name and/or No. NMNM87877X |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 25 T25S R37E NWSE 2095FSL 1415FEL | | 8. Well Name and No. SJU TR-G 251 |
| | | 9. API Well No. 30-025-32070-00-S1 |
| | | 10. Field and Pool or Exploratory Area JUSTIS |
| | | 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 | | | |
|--|---|---|---|---|
| <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"/> Hydraulic Fracturing | <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 checked="" type="checkbox"/> Temporarily Abandon | |
| | <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 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.

PROCEDURE:

Pull out of hole and lay down production equipment. Install a CIBP at 4950' and cap with 20' cement. Perform and record MIT test. Submit chart to Midland for filing.

Reason:

We are requesting the well be placed in TA status for 5 years to allow for oil price recovery to justify returning the well to production. The well has a very poor oil cut with high volumes of water. The time will allow us to work on other wells in the unit to learn how to shut off water and make this existing well more productive in the future.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL***well has been shut in since 11/2015*

| | |
|--|---------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #361147 verified by the BLM Well Information System For LEGACY RESERVES OPERATING LP, sent to the Hobbs Committed to AFMSS for processing by JENNIFER SANCHEZ on 12/20/2016 (17JAS0116SE) | |
| Name (Printed/Typed) JOHN SAENZ | Title OPERATIONS ENGINEER |
| Signature (Electronic Submission) | Date 12/15/2016 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | |
|---|--------------|
| Approved By _____ | Title _____ |
| 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)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED *****MJB/ocd
12/28/2016*

Wellbore Schematic (From Surface to TD)

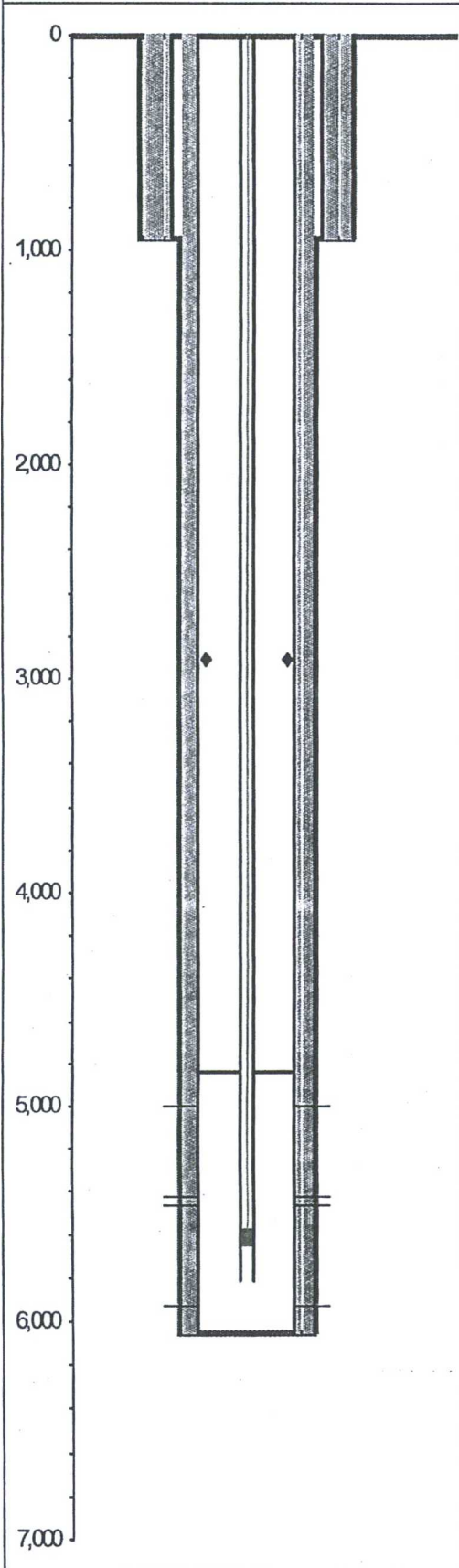
Printed: 12/14/2016

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South Justis Unit # G251

BOLO ID: 300054.17.05

API # 3002532070



| | | | |
|-------------------------------------|-------------------|-------------|----------|
| 2095 FSL & 1415 FEL | GL Elev: 3,057.00 | KOP: | |
| Section 25, Township 25S, Range 37E | | EOC: | |
| County, State: Lea, NM | | Fill Depth: | |
| Aux ID: 20680 | | PBTD: | |
| KB = 14; DF = ; All Depths Corr To: | | TD: | 6,050.00 |
| | | BOP: | |

Hole Size

| Diameter | Top At | Btm At | Date Drilled |
|----------|--------|----------|--------------|
| 12.2500 | 0.00 | 945.00 | 9/23/1993 |
| 7.8750 | 945.00 | 6,050.00 | 9/29/1993 |

Surface Casing

Date Ran: 9/23/1993

| Description | # | Diameter | Weight | Grade | Length | Top At | Btm At |
|-------------|----|----------|--------|-------|--------|--------|--------|
| Casing | 22 | 8.6250 | 24.00 | J55 | 945.00 | 0.00 | 945.00 |

Production Casing String 1

Date Ran: 9/29/1993

| Description | # | Diameter | Weight | Grade | Length | Top At | Btm At |
|-------------|-----|----------|--------|-------|----------|--------|----------|
| Casing | 135 | 5.5000 | 15.50 | J55 | 6,050.00 | 0.00 | 6,050.00 |

Cement

| # Sx | Class | Weight | I D | O D | Top At | Btm At | TOC Per |
|------|-------|--------|-------|--------|--------|----------|---------|
| 1170 | | | 8.625 | 12.250 | 0.00 | 945.00 | Circ |
| 1500 | | | 5.500 | 7.875 | 0.00 | 6,050.00 | Circ |

Zone and Perfs

Blinbry-Tubb/Drinkard

Perforations

| Top | Bottom | Formation | Status | Opened | Closed | # / Ft | Ttl # |
|----------|----------|-----------------------|--------|-----------|--------|--------|-------|
| 5,003.00 | 5,424.00 | Blinbry-Tubb/Drinkard | A | 10/9/1993 | | 1 | 31 |
| 5,464.00 | 5,929.00 | Blinbry-Tubb/Drinkard | A | 10/9/1993 | | 1 | 32 |

Tubing String 1

Date Ran: 5/5/2006

| Description | # | Diameter | Weight | Grade | Length | Top At | Btm At |
|---------------|-----|----------|--------|-------|----------|----------|----------|
| Tubing | 150 | 2.3750 | 4.70 | | 4,841.00 | 0.00 | 4,841.00 |
| Tubing Anchor | 1 | 5.5000 | | | 3.00 | 4,841.00 | 4,844.00 |
| Tubing | 29 | 2.3750 | 4.70 | | 933.00 | 4,844.00 | 5,777.00 |
| Tubing | 1 | 2.3750 | 4.70 | | 32.00 | 5,777.00 | 5,809.00 |
| Seat Nipple | 1 | 2.3750 | | | 1.00 | 5,809.00 | 5,810.00 |

Rod String 1

Date Ran: 12/13/2007

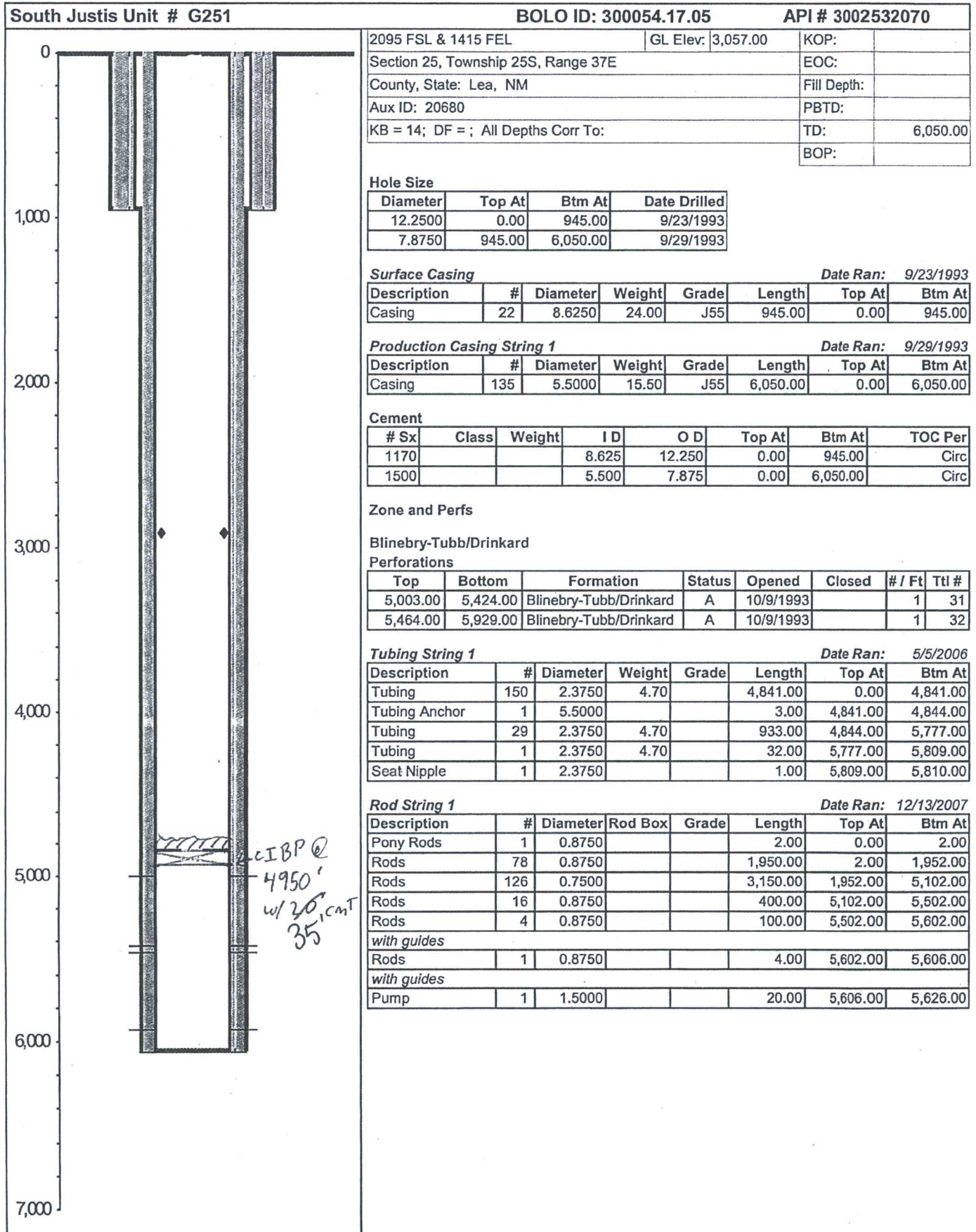
| Description | # | Diameter | Rod Box | Grade | Length | Top At | Btm At |
|-------------|-----|----------|---------|-------|----------|----------|----------|
| Pony Rods | 1 | 0.8750 | | | 2.00 | 0.00 | 2.00 |
| Rods | 78 | 0.8750 | | | 1,950.00 | 2.00 | 1,952.00 |
| Rods | 126 | 0.7500 | | | 3,150.00 | 1,952.00 | 5,102.00 |
| Rods | 16 | 0.8750 | | | 400.00 | 5,102.00 | 5,502.00 |
| Rods | 4 | 0.8750 | | | 100.00 | 5,502.00 | 5,602.00 |
| with guides | | | | | | | |
| Rods | 1 | 0.8750 | | | 4.00 | 5,602.00 | 5,606.00 |
| with guides | | | | | | | |
| Pump | 1 | 1.5000 | | | 20.00 | 5,606.00 | 5,626.00 |

Wellbore Schematic (From Surface to TD)

Printed: 12/14/2016

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Plan



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

Approved for a period of 1 year ending 12/20/2017 subject to conditions of approval.
Temporary Abandonment of Wells on Federal Lands
Conditions of Approval

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
 - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging. CIBP must be capped with minimum 25 sacks cement, placed with tubing, or 35 feet of cement if placed with bailer.
 - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes. Any leak-off will be evaluated.
 - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
3. **Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned. 43 CFR 3162.3-4 (a) The operator shall promptly plug and abandon...wells in which oil or gas is not encountered in paying quantities...**

Wells that successfully pass the casing integrity test **may** be approved for Temporary Abandonment (TA) status provided that the operator:

1. **Submits a subsequent Sundry Notice** (Form 3160-5) requesting TA approval **with wellbore diagram** with all perforations and CIBP's and tops of cement on CIBP's.
2. Describes the temporary abandonment procedure.
3. Attaches a clear copy or the original of the pressure test chart.
4. Give justification to allow well to be place in TA status and plan for future use of well with time frame that well will be place back on line or plans to P&A well will be submitted.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.

SJU TR-G 251

1. Well is approved to be TA/SI for a period of 1 year or until 12/20/2017
2. Must submit NOI to recomplete or NOI to P&A. Must be submitted by 12/20/2017
3. COA's met at this time.