

Submit 1 Copy To Appropriate District
Office
District I
1625 N French Dr , Hobbs, NM 88240
District II
1301 W Grand Ave , Artesia, NM 88210
District III
1000 Rio Brazos Rd , Aztec, NM 87410
District IV
1220 S St Francis Dr , Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
October 13, 2009

HOBBS OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
SEP 22 2011

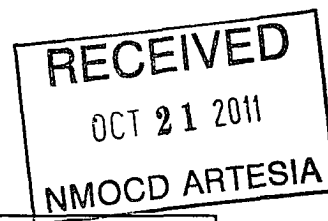
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)		WELL API NO. 30-015-00660
1 Type of Well Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other Injection		5 Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2 Name of Operator LEGACY RESERVES OPERATING LP		6 State Oil & Gas Lease No B-8318
3 Address of Operator P.O BOX 10848 MIDLAND, TX 79702		7. Lease Name or Unit Agreement Name South Red Lake II Unit
4 Well Location Unit Letter F 2310 feet from the North line and 1650 feet West line Section 36 Township 17S Range 27E NMPM Eddy County		8. Well Number 12
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3581' GL		9. OGRID Number 240974
		10. Pool name or Wildcat Redlake, Queen, Grayburg, San Andres

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS <input type="checkbox"/>	P AND A <input checked="" type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER <input type="checkbox"/>	

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.

PLEASE SEE ATTACHED



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 Berry Johnson TITLE Production Superintendent DATE 09/21/2011
Type or print name Berry Johnson E-mail address: _____ PHONE: 432-689-5200

For State Use Only

Accepted for record - NMOCD

APPROVED BY: _____ TITLE _____ DATE _____
Conditions of Approval (if any): _____

Accepted for record
NMOCD

Legacy Reserves
DAILY OPERATIONS REPORT - (All Days)

1/1/2011 thru 9/21/2011

Printed Sep 21, 2011 Page 1

SOUTH RED LAKE II UNIT # 12

EDDY Co., NM

BOLO ID 300130 09 12

Zone QUEEN Field RED LAKE

AFE # 611014 - \$30,000 00

RU BCM TO P/A WELL.

Apr 25, 2011 Monday (Day 1)

MOVE IN PLUGGING UNIT & RU DIG OUT CELLAR, NUBOP,SDFN

Daily Cost

Cum Cost

Apr 26, 2011 Tuesday (Day 2)

BEGIN PICKING UP WORK STRING, PU 1 1/2 JTS & STACK OUT SOLID. WAIT ON FISHING TOOL HAND RIH W/IMPRESSION BLK TRIED TO WORK TBG DOWN, NO SUCCESS,SDFN ---2

Daily Cost \$4,400

Cum Cost \$4,400

Apr 27, 2011 Wednesday (Day 3)

RU REVERSE UNIT, PU SWIVEL & TAG UP @ 15' TRY TO LOAD HOLE, WILL NOT CIRCULATE, PUMP 240 BBLs. FRESH WATER START DRILLING, DRILL 2 JTS W/3 7/8" BIT, POOH & CHANGE TO 6 1/8" BIT RIH TO DRILL TO 40',SDFN.--3

Daily Cost \$8,850

Cum Cost \$13,250

Apr 28, 2011 Thursday (Day 4)

LOAD PIT W/FRESH WATER TO BEGIN DRILLING, MADE 5' & STOPPED MAKING HOLE. LD SWIVEL & 2 JTS , PU 1 JT WASH PIPE & MILL COULD NOT MAKE HOLE, PU 4 3/4" BIT & DRILL COLLAR, PU SWIVEL T MAKE 58 FT POOH,SDFN --4

Daily Cost \$11,240

Cum. Cost. \$24,490

Apr 29, 2011 Friday (Day 5)

PU BLADED BIT & 2-DRILL COLLARS TO BEGIN DRILLING DRILL FROM 30' TO 88', POOH W/BIT,SDFN --5

Daily Cost \$10,315

Cum Cost. \$34,805

May 2, 2011 Monday (Day 6)

LD DRILL COLLARS WAIT ON WELDER TO BUID MULE SHOE FOR TBG., TRIED TO WORK DOWN, COULD NOT GET DOWN. RIH W/IMPRESSION BLK., SHOWS CSG TO BE PARTED @ 35' DIG OUT CELLAR TO TRY & FIND SURFACE CSG , REMOVE BOP,SDFN

Daily Cost \$9,220

Cum Cost \$44,025

May 3, 2011 Tuesday (Day 7)

NDBOP, PULLED WELLHD. OUT OF CELLAR & RIG DOWN UNIT MOVE EQUIPMENT OFF LOCATION TO MOVE IN EXTENDED BACKHOE TO BEGIN DIGGING OUT TO TRY & FIND CSG SDFN

Daily Cost. \$7,777

Cum. Cost. \$51,802

May 4, 2011 Wednesday (Day 8)

STANDING BYE WHILE DIGGING OUT WELL.--WORKING ON RIG

Daily Cost. \$4,550

Cum Cost. \$56,352

May 5, 2011 Thursday (Day 9)

WAITING ON TRACKHOE, DUG TO 20', SOLID ROCK.

Legacy Reserves
DAILY OPERATIONS REPORT - (All Days)

1/1/2011 thru 9/21/2011

Printed Sep 21, 2011 Page 2

SOUTH RED LAKE II UNIT # 12		EDDY Co., NM	BOLO ID: 300130 09 12
Zone: QUEEN Field. RED LAKE			
		Daily Cost.	\$9,500
		Cum. Cost	\$65,852
May 6, 2011	Friday (Day 10)		
WAIT ON JACK HAMMER, BEGIN DIGGING DOWN TO FIND CASING MOVE PLUGGING UNIT TO SRLU # 9, SDFN.		Daily Cost	\$9,575
		Cum Cost.	\$75,427
May 7, 2011	Saturday (Day 11)		
TRACKHOE DIGGING OUT ROCK		Daily Cost.	\$5,450
		Cum. Cost	\$80,877
May 9, 2011	Monday (Day 12)		
DIGGING OUT TO FIND CSG DUG TO 30', NO CSG FOUND, SD TO CONTACT OCD.		Daily Cost	\$5,450
		Cum. Cost	\$86,327
May 10, 2011	Tuesday (Day 13)		
CONTINUE DIGGING TO FIND CSG DUG TO APPROXIMATELY 33' & DIGGER BROKE DOWN		Daily Cost.	\$4,950
		Cum Cost	\$91,277
May 11, 2011	Wednesday (Day 14)		
CONTINUE DIGGING TO APPROX 35' SPOT HOLE		Daily Cost	\$5,250
		Cum Cost	\$96,527
May 12, 2011	Thursday (Day 15)		
HAD WELDER CUT 30' JT. OF 8 5/8" CSG & WELD ON 4X4X 1/2" PLATE ON BOTTOM OF CSG. TO SET OVER HOLE DUMPED 16 YDS CMT. AROUND PLATE TO HOLD IN PLACE, SDFN.		Daily Cost:	\$9,950
		Cum. Cost.	\$106,477
May 13, 2011	Friday (Day 16)		
GANDY'S CREW STARTED SCREENING ROCKS OUT OF FILL DIRT TO BE USED TO BACKFILL, SDFN		Daily Cost:	\$3,500
		Cum Cost	\$109,977
May 16, 2011	Monday (Day 17)		
FINISH SCREENING REMAINDER OF ROCKS FOR BACKFILLING PLACED 3- 3' X 8' TIN HORNS AROUND 8 5/8" CSG FOR CMT. FORM, THEN FILLED TIN HORNS W/CMT., SDFN		Daily Cost.	\$6,250
		Cum. Cost	\$116,227
May 17, 2011	Tuesday (Day 18)		
ROAD PLUGGING UNIT BACK TO #12, INSTALL ANCHORS, WAITING TO FINISH BACKFILLING LOCATION WILL HAVE TO HAUL IN FILL DIRT & PACK		Daily Cost.	\$5,150
		Cum. Cost.	\$121,377
May 18, 2011	Wednesday (Day 19)		
HAULED IN REMAINDER OF CALICHE FOR PAD, WELDER CUTOFF 8 5/8" CSG & WELDED ON 8 5/8" SLIP COLLAR --- RU PLUGGING UNIT & NUBOP, SDFN.			

Legacy Reserves
DAILY OPERATIONS REPORT - (All Days)

1/1/2011 thru 9/21/2011

Printed Sep 21, 2011 Page 3

SOUTH RED LAKE II UNIT # 12

EDDY Co , NM

BOLO ID. 300130.09 12

Zone: QUEEN Field: RED LAKE

Daily Cost \$16,665

Cum. Cost \$138,042

May 19, 2011 Thursday (Day 20)

MOVE IN REVERSE UNIT, PU 6 1/8" BIT, 1- DRILL COLLAR TO RIH ON TBG TO TAG UP @ 30'. PU SWIVEL TO BEGIN DRILLING WITH RETURNS GETTING BACK TOP SOIL FILL FROM 30' - 48'. LOST RETURNS @ 48', CONTINUE DRILLING W/O RETURNS TO 60', TRYING TO STICK, COULD NOT CLEAN UP POOH & LD TOOLS 7 RD REVERSE UNIT & PLUGGING UNIT.---- WILL LOOK AT GETTING DRILLING RIG TO DRILL

Daily Cost. \$9,278

Cum Cost \$147,320

Aug 29, 2011 Monday (Day 21)

MIRU Lucky well service and Foam air unit

Daily Cost \$24,500

Cum Cost \$171,820

Aug 30, 2011 Tuesday (Day 22)

Finish rigging up Foam air unit RIH w/ 6 1/8 bit Tag at 45'. Attempt to break circulation using 300 BBL Did not break circulation SDFN.

Daily Cost \$17,100

Cum. Cost \$188,920

Aug 31, 2011 Wednesday (Day 23)

Rig up Lucky reverse unit, using foam air and reverse unit break circulation Drill 5', lost circulation. Drill down to 67' w/no circulation POH. RIH w/ tubing, no bit, tag at 67', could not work tubing any deeper POH. RIH w/ 6 1/8 bit Tag at 67', bit bouncing and torqueing up POH Found metal stuck between cones of bit SDFN

Daily Cost. \$13,400

Cum. Cost \$202,320

Sep 1, 2011 Thursday (Day 24)

RIH w/ 4 3/4 taper mill, 3 1/2 drill collars Tag at 66' Mill to 126'. POH. Mill worn only at nose of mill SDFN

Daily Cost \$15,100

Cum. Cost \$217,420

Sep 2, 2011 Friday (Day 25)

RIH w/ 4 5/8 bit 3 1/2 drill collars, tag bridge/ledge at 55' work through, RIH to 126' Drill to 225' POH to inspect bit RIH w/ same bit, drill out to 280' POH Bit shanks worn thin on outside SDFW

Daily Cost \$12,500

Cum Cost \$229,920

Sep 6, 2011 Tuesday (Day 26)

RIH w/ 4 3/4 bit Tag at 274' ream down to 280' Drill down to 360' POH to inspect bit. No problems showing w/bit SDFN

Daily Cost \$14,500

Cum Cost \$244,420

Sep 7, 2011 Wednesday (Day 27)

RIH w/ 4 3/4 bear claw bit, tag at 360' . Drill out to 395'. POH change out to 4 3/4 mill tooth bit, drill to 409'. POH RIH w/ 4 3/4 JZ bit, drill out to 421'. SDFN. Made 61'

Daily Cost \$19,800

Cum. Cost \$264,220

Sep 8, 2011 Thursday (Day 28)

RIH w/bit, resume drilling at 421'. Drill to 564'. Made 143'. Circulate hole clean, POH SDFN

Legacy Reserves
DAILY OPERATIONS REPORT - (All Days)

1/1/2011 thru 9/21/2011

Printed Sep 21, 2011 Page 4

SOUTH RED LAKE II UNIT # 12

EDDY Co., NM

BOLO ID 300130 09 12

Zone QUEEN Field: RED LAKE

Daily Cost. \$13,100
Cum. Cost. \$277,320

Sep 9, 2011 Friday (Day 29)

RIH w/4 3/4 JZ bit, resume drilling at 564' Drill out to 676', made 112' Still no circulation to surface. POH SDFN

Daily Cost \$12,600
Cum Cost \$289,920

Sep 10, 2011 Saturday (Day 30)

RIH w/4 3/4 bit Resume drilling at 676' Drill to 842' w/no circulation to surface made 166'. POH

Daily Cost \$12,600
Cum Cost \$302,520

Sep 11, 2011 Sunday (Day 31)

RIH w/4 3/4 bit. Resume drilling 842' Drill out to 972', made 130' without circulation POH. SDFN

Daily Cost \$12,100
Cum. Cost. \$314,620

AFE # 611014 - \$30,000.00

RESUME DRILLING TO P/A WELL.

Sep 12, 2011 Monday (Day 32)

RIH w/4 3/4 bit, resume drilling at 972' Drill to 1114', made 142' without circulation POH. SDFN

Daily Cost \$13,100
Cum. Cost \$327,720

Sep 13, 2011 Tuesday (Day 33)

RIH w/ 4 3/4 bit, resume drilling at 1114'. Drill out to 1266'. Made 152' without circulation to surface POH SDFN

Daily Cost. \$13,100
Cum Cost \$340,820

Sep 14, 2011 Wednesday (Day 34)

RIH w/4 3/4 bit Resume drilling at 1266'. Drill to 1402', made 136' POH SDFN

Daily Cost. \$14,100
Cum Cost \$354,920

Sep 15, 2011 Thursday (Day 35)

RIH w/ 4 3/4 bit, resume drilling at 1402' Drill out to 1460' Made 58'. POH, lay down drill collars. SDFN

Daily Cost. \$14,100
Cum Cost \$369,020

Sep 16, 2011 Friday (Day 36)

RIH w/ tubing to 1460' Rig up BCM, Spot 25 sx Class C at 1460'. POH, wait 4 hours RIH and tag at 1330'. Pump second plug at 1330' w/ 100 sx class C POH SDFN

Daily Cost \$9,800
Cum. Cost \$378,820

Sep 17, 2011 Saturday (Day 37)

RIH w/tubing, tag at 443'. Set 80 sx plug at 440'. POH. Pump 40 sx Class C down 8 5/8 casing, wait 4 hours. Pump 25 sx Class C down 8 5/8, Filling 8 %/8 to with in 3' Surface Remove wellhead SDFW.

Daily Cost \$24,700
Cum Cost \$403,520

Legacy Reserves
DAILY OPERATIONS REPORT - (All Days)

1/1/2011 thru 9/21/2011

Printed Sep 21, 2011 Page 5

SOUTH RED LAKE II UNIT # 12

EDDY Co., NM

BOLO ID: 300130 09.12

Zone QUEEN Field RED LAKE

Sep 19, 2011 Monday

(Day 38)

Check Cement RDMO

Daily Cost: \$2,500

Cum. Cost \$406,020