

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONSERVATION
ARTESIA DISTRICT
JUL 30 2018
RECEIVED

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. NMNM105887
2. Name of Operator LEGACY RESERVES OPERATING LP Contact: LAURA PINA E-Mail: lpina@legacylp.com		6. If Indian, Allottee or Tribe Name
3a. Address 303 W WALL ST STE 1800 MIDLAND, TX 79701	3b. Phone No. (include area code) Ph: 432-689-5200 Ext: 5273	7. If Unit or CA/Agreement, Name and/or No. NMNM125856
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 14 T15S R31E SENE 1980FNL 850FEL		8. Well Name and No. ANDROMEDA 14 FEDERAL COM 2H
		9. API Well No. 30-005-27976
		10. Field and Pool or Exploratory Area ABO/WOLFCAMP WILDCAT
		11. County or Parish, State CHAVES CO 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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input 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.

TYPE OF ACTION: Surface Commingling (GAS), Central Tank Battery

Legacy Reserves Operating LP request approval to Surface Commingle production on the following wells at a common central tank battery located on the Andromeda 14 Federal Com #1H well location.

Andromeda 14 Fed Com #1H Lse# NMNM105887, Sec 14, NENE, T15S, R31E, API 30-005-27975
Andromeda 14 Fed Com #2H Lse# NMNM105887, Sec 14, SENE, T16S, R28E, API 30-005-27976

CA NMNM 124171
CA NMNM 125856

See attached requested documentation.

Originals will be sent via FedEx this evening to the Roswell field office, attention Mr. Hoskinson along with the \$1,000 assessment fee.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #428569 verified by the BLM Well Information System
For LEGACY RESERVES OPERATING LP, sent to the Roswell
Committed to AFMSS for processing by JENNIFER SANCHEZ on 07/25/2018 ()

Name (Printed/Typed) LAURA PINA	Title COMPLIANCE COORDINATOR
Signature (Electronic Submission)	Date 07/24/2018

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

JUL 25 2018

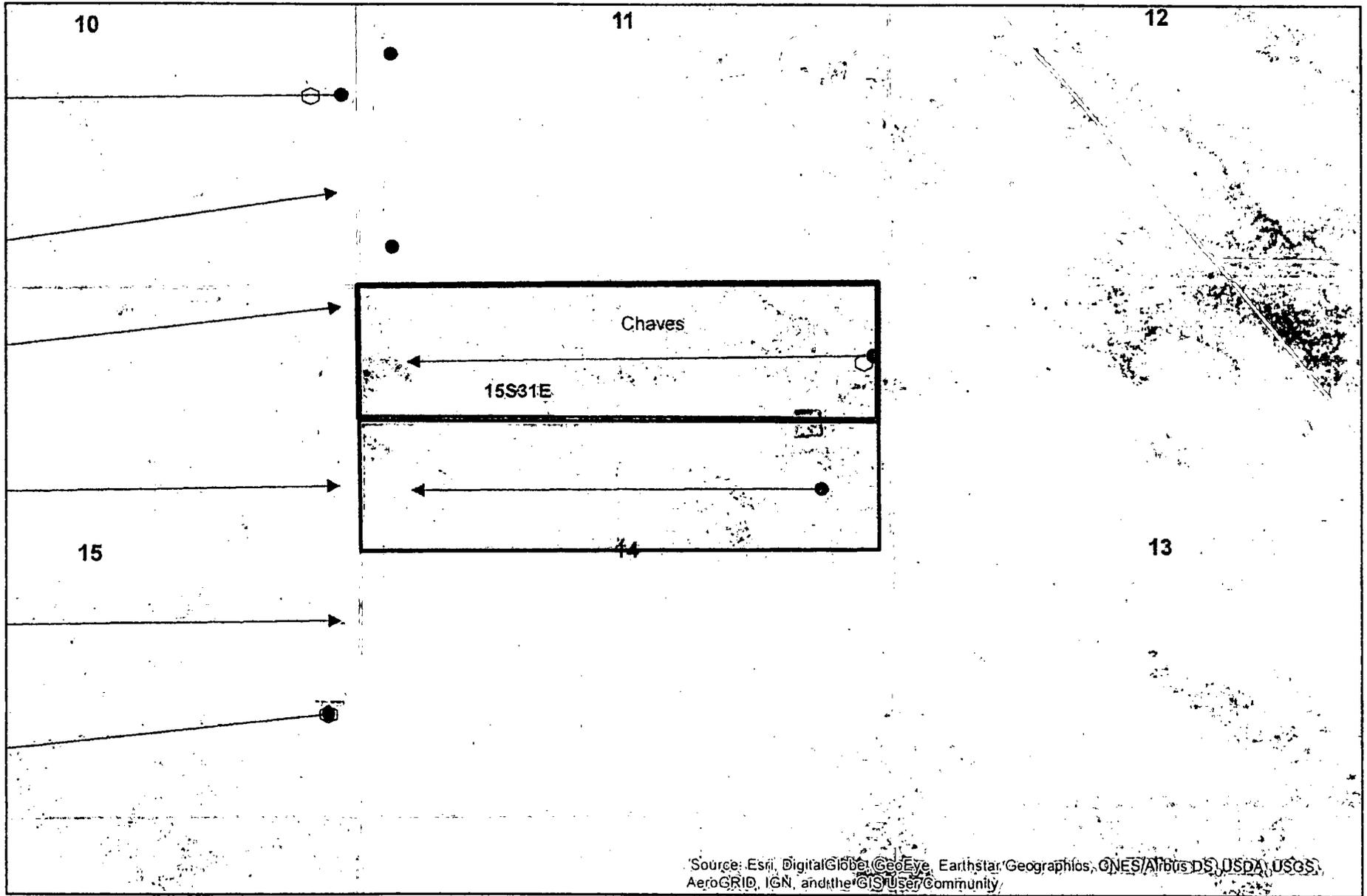
Approved By _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		
Office BUREAU 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)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

LEGACY RESERVES - ANDROMEDA MAP
SECTION 14-15S-31E



Source: Esri, DigitalGlobe, GeoEye, Earthstar, Geographic, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Legend

 ANDROMEDA 2H - CA 25886  ANDROMEDA 1H - CA 124171

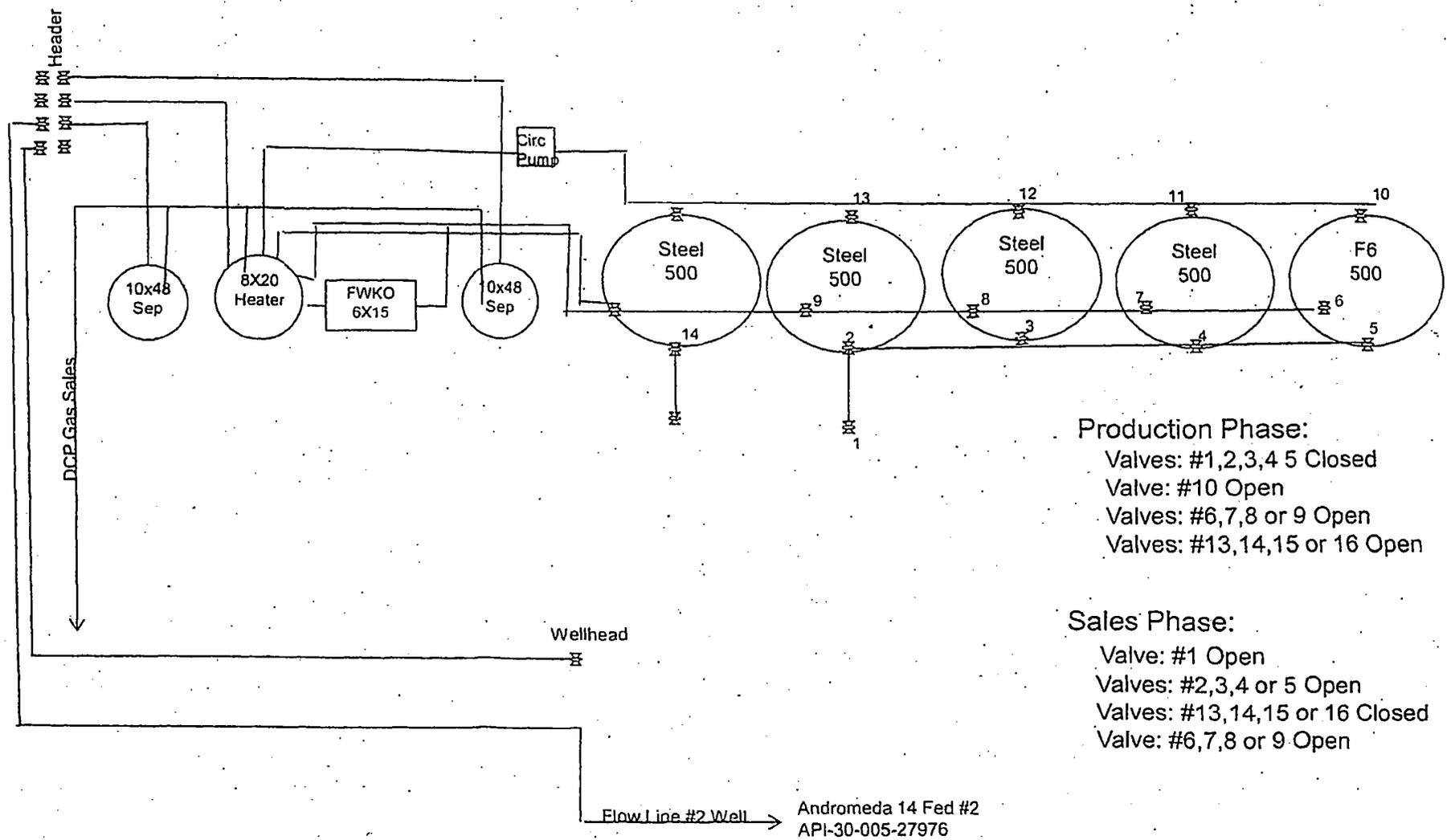
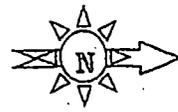
STNM V0-7943

NMNM-105887

Clay R.
7/13/2018

Legacy Reserves Operating LP
 PO Box 10848
 Midland, TX 79702

Andromeda 14 Federal Com #1H
 660' FNL & 330' FEL * Sec 14-15S-31E * Unit A
 Chaves County, NM
 API -30-005-27975



Production Phase:
 Valves: #1,2,3,4 5 Closed
 Valve: #10 Open
 Valves: #6,7,8 or 9 Open
 Valves: #13,14,15 or 16 Open

Sales Phase:
 Valve: #1 Open
 Valves: #2,3,4 or 5 Open
 Valves: #13,14,15 or 16 Closed
 Valve: #6,7,8 or 9 Open

Andromeda 14 Fed Com #1 – KOP @ 8390', TD @ 13,160' MD/8,563' TVD, perfs @ 9,221' – 12,836' MD
Andromeda 14 Fed Com #2H – KOP @ 8315', TD @ 12,698' MD/8,766' TVD, perfs @ 9,132' – 12,362' MD

BLM COPY

Certified Mail - Return Receipt Requested
7012346000016957209

Hand Delivered Received by

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Identification
ID
Lease NMNM105887
CA NMNM125856
Unit
PA

Bureau of Land Management Office ROSWELL FIELD OFFICE		Operator LEGACY RESERVES OPERATING					
Address 2909 W. SECOND ST. ROSWELL NM 88201		Address PO BOX 10848 MIDLAND TX 79702-7848					
Telephone 575.627.0272		Attention					
Inspector HOSKINSON		Attn Addr					
Site Name ANDROMEDA 14 FEDERAL COM	Well/Facility/FMP 2H	1/4 1/4 Section SENE 14	Township 15S	Range 31E	Meridian NMP	County CHAVES	State NM
Site Name	Well/Facility/FMP	1/4 1/4 Section	Township	Range	Meridian	County	State

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 - hour clock)	Violation	Gravity of Violation
06/21/2018	10:30	43CFR3173.15 43CFR3173.29(ii)	MAJOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
07/20/2018		\$1000.00	43CFR3173.29(ii)

Remarks

UNAUTHORIZED COMMINGLE OF GAS BETWEEN NM125856 AND NM124171 AT GAS METER ID 726107-00. PER TABLE 1 TO 43 CFR 3173.29 PARAGRAPH 10(ii) AN IMMEDIATE ASSESSMENT OF \$1000 IS ISSUED. NOTIFIED LAURA PINA BY PHONE 1030 HRS 06/21/2018 (Remarks continued on following page(s).)

When violation is corrected, sign this notice and return to above address

Company Representative Title Laura Pina Signature Compliance Coordinator Date 7/20/18

Company Comments

WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer [Signature] Date 6/21/18 Time 1300

FOR OFFICE USE ONLY

Number 20	Date	Assessment \$1000.00	Penalty	Termination
Type of Inspection PI				

BLM Remarks, continued

AS OUTLINED IN 43 CFR 3173-15 YOU MUST SUBMIT A REQUEST FOR APPROVAL TO COMMINGLE GAS BETWEEN THESE TWO LEASES. SUBMIT THIS REQUEST TO THIS OFFICE NO LATER THAN 7/20/2018.
BLM POC: ROBERT HOSKINSON 575-627-2018 EMAIL: RHOSKINS@BLM.GOV

\$.1,000 Immediate Assessment

43CFR3173.29 (ii) Facilities that were in operation on or before January 17, 2017, are subject to an assessment if they do not have an existing BLM approval for surface commingling.

3173.15 Applying for a commingling and allocation approval.
To apply for a CAA, the operator(s) must submit the following, if applicable, to the BLM office having jurisdiction over the leases, unit PAs, or CAs from which production is proposed to be commingled:

(a) A completed Sundry Notice for approval of commingling and allocation (if off-lease measurement is a feature of the commingling and allocation proposal, then a separate Sundry Notice under 3173.23 is not necessary as long as the information required under 3173.23 (b) through (e) and, where applicable, 3173.23 (f) through (i) is included as part of the request for approval of commingling and allocation);

(b) A completed Sundry Notice for approval of off-lease measurement under 3173.23 of this subpart, if any of the proposed FMPs are outside the boundaries of any of the leases, units, or CAs from which production would be commingled (which may be included in the same Sundry Notice as the request for approval of commingling and allocation), except as provided in paragraph (a) of this section;

(c) A proposed allocation agreement, including an allocation methodology (including allocation of produced water), with an example of how the methodology is applied, signed by each operator of each of the leases, unit PAs, or CAs from which production would be included in the CAA;

(d) A list of all Federal or Indian lease, unit PA, or CA numbers in the proposed CAA, specifying the type of production (i.e., oil, gas, or both) for which commingling is requested;

13

(e)) A topographic map or maps of appropriate scale showing the following:

(1) The boundaries of all the leases, units, unit PAs, or communitized areas whose production is proposed to be commingled; and

(2) The location of existing or planned facilities and the relative location of all wellheads (including the API number) and piping included in the CAA, and existing FMPs or FMPs proposed to be installed to the extent known or anticipated;

(f)) A surface use plan of operations (which may be included in the same Sundry Notice as the request for approval of commingling and allocation) if new surface disturbance is proposed for the FMP and its associated facilities are located on BLM managed land within the boundaries of the lease, units, and communitized areas from which production would be commingled;

(g) A right-of-way grant application (Standard Form 299), filed under 43 CFR part 2880, if the proposed FMP is on a pipeline, or under 43 CFR part 2800, if the proposed FMP is a meter or storage tank. This requirement applies only when new surface disturbance is proposed for the FMP, and its associated facilities are located on BLM managed land outside any of the leases, units, or communitized areas whose production would be commingled;

(h) Written approval from the appropriate surface-management agency, if new surface disturbance is proposed for the FMP and its associated facilities are located on Federal land managed by an agency other than the BLM;

(i) A right-of-way grant application for the proposed FMP, filed under 25 CFR part 169, with the appropriate BIA office, if any of the proposed surface facilities are on Indian land outside the lease, unit, or communitized area from which the production would be commingled;

(j) Documentation demonstrating that each of the leases, unit PAs, or CAs proposed for inclusion in the CAA is producing in paying quantities (or, in the case of Federal leases, is capable of production in paying quantities) pending approval of the CAA; and

(k) All gas analyses, including Btu content (if the CAA request includes gas) and all oil gravities (if the CAA request includes oil) for previous periods of production from the leases, units, unit PAs, or communitized areas proposed for inclusion in the CAA, up to 6 years before the date of the application for approval of the CAA. Gas analysis and oil gravity data is not needed if the CAA falls under 3173.14(a)(1).

FOR MONITORING AND TRACKING PURPOSES:
SUBMIT APPROPRIATE PAPERWORK TO THIS OFFICE
ATTENTION: ROBERT E. HOSKINSON Sr.
IF YOU HAVE ANY QUESTIONS, CONTACT:

ROBERT E. HOSKINSON Sr.
Lead Petroleum Engineering Technician
2909 West Second Street
Roswell, NM 88201
Office: (575) 627-0218
Cell: (575) 361-0106
E-Mail: rhoskins@blm.gov

**Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287
(575) 627-0272**

**Off-Lease Measurement, Off-Lease Storage, And Surface Commingling
Conditions Of Approval**

1. This agency will be notified of any change in your sales method or location of the sales meter.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional commingling approvals.
6. Contact the BLM Roswell Field Office at least 24 hours prior to the commencing any well test. For wells in Chaves and Roosevelt County, during office hours or after office hours call (575) 361-0106.
7. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days an application for right-of-way approval must be submitted to the Realty Section to the BLM Roswell Field Office at 2909 West Second Street, Roswell, New Mexico 88201-1287 for wells in Chaves or Roosevelt County if you have not already done so.

All wells are producing from the Wolfcamp Formation. Ownership in CA NMNM-124171 and CA NMNM-125856 have identical ownership thus no royalties will be effected. Operator has also provided economic justification. Individual well test may be required upon BLM request.

JAM 072518