

Submit 3 Copies 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
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

HOBBS OCD

JUN 20 2011

WELL API NO. 30-025-10596 ✓
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 SKELLY PENROSE A UNIT /
8. Well Number 38 ✓
9. OGRID Number 240974 ✓
10. Pool name or Wildcat LANGLIE MATTIX; 7 RVRS-QN-GB ✓

SUNDRY NOTICES RECEIVED
(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 P.O. BOX 10848 MIDLAND, TX 79702

4. Well Location Unit Letter N : 740 feet from the South line and 2000 feet from the West line. Section 3 Township T23S Range R37E NMPM LEA County ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3297 DF

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface
water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐ OTHER: MIT & REQUEST 2 YR TA EXTENSION ☒

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Legacy Reserves Operating LP requests approval for continuance of temporary abandonment status of the subject well for a period of 2 years.

We pressure tested the subject well on 6/16/11 to a test pressure of 570 psig for 30 minutes and the casing tested successfully.
Test witnessed by Mark Whitaker w/OCD, chart attached.

We recently acquired this well and unit from the prior operator, Cimarex Energy Company of Colorado, on January 21, 2011. We are currently in the process of evaluating future disposition of this well and other inactive wells on the Skelly Penrose "A" Unit. We have initiated a formal review of this unit and this requested TA extension should be sufficient for us to complete our evaluation and remedial work on this well.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Berry Johnson TITLE: Production Superintendent DATE: 06/17/11

Type or print name Berry Johnson This Approval of Temporary
For State Use Only Abandonment Expires 6/16/2013 Telephone No. (432) 689-5200

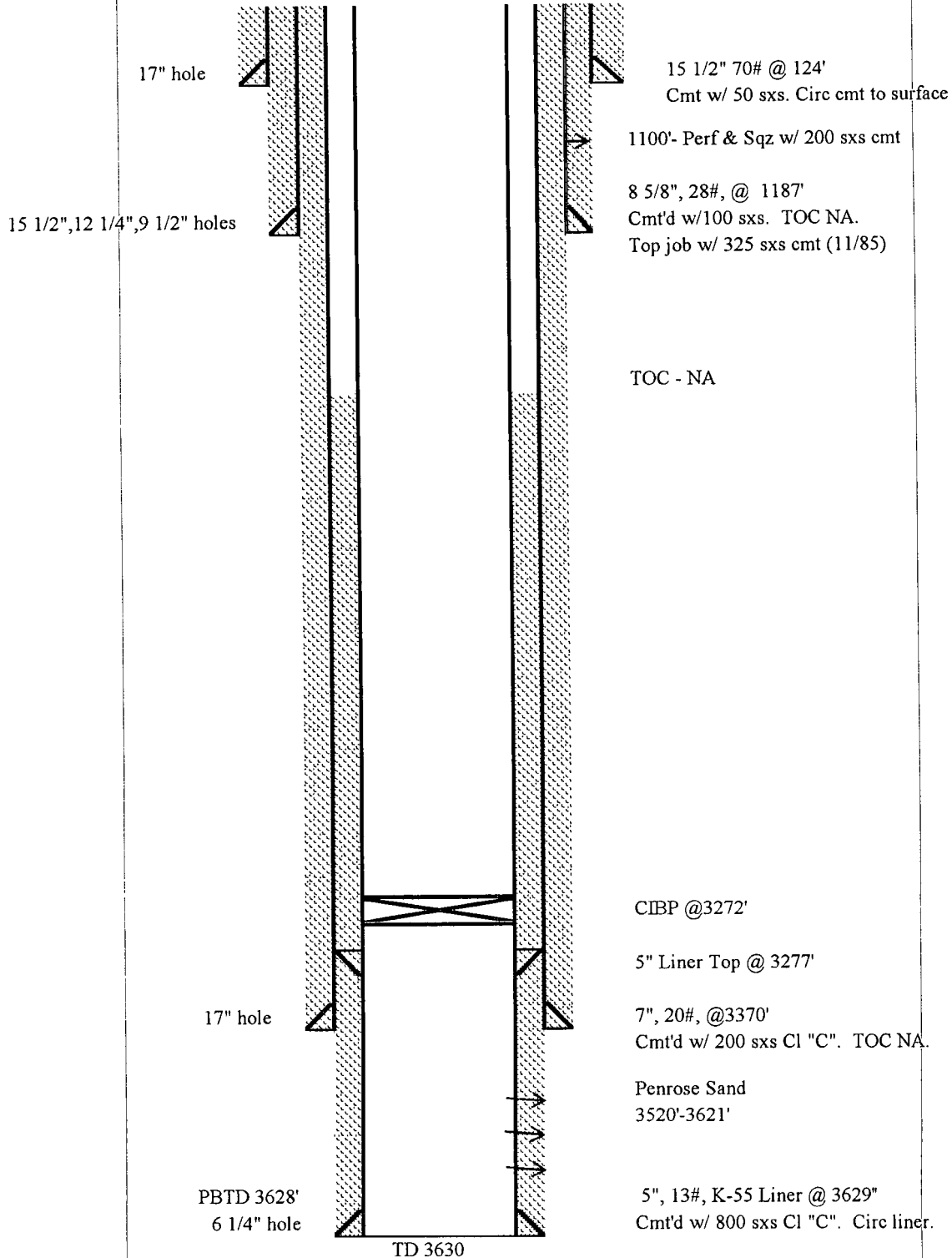
APPROVED BY: Mark Whitaker TITLE: Compliance Officer DATE: 6/21/11

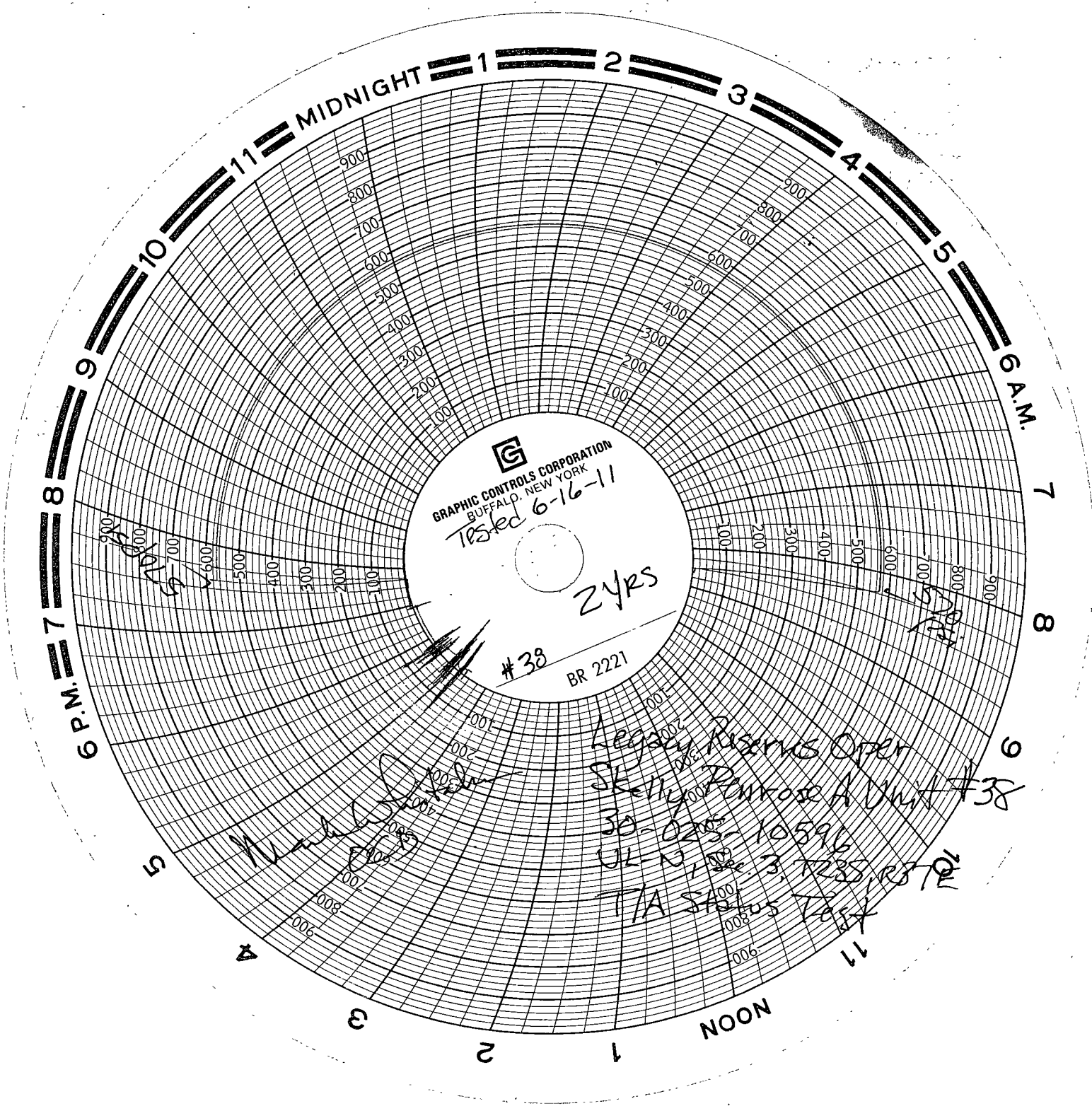
Conditions of Approval (if any):

JUN 21 2011 ✓

WELLBORE SCHEMATIC

Well Name & No.:	Skelly Penrose A Unit # 38		
Field:	Langlie Mattix (7Rivers/Queen/Grayburg)		
Location:	740' FSL x 2000' FWL, Sec. 3, Unit Letter N, T-22-S, R-37-E		
County:	Lea	State:	NM API #: 30-025-10596
GR Elev:	3297.0	Spud Date:	05/20/37
KB :	6.0	Original Operator:	Skelly Oil Co.
KB Elev:	3303.0	Original Lease Name:	Sims "C" #1-A





GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK
Tested 6-16-11

ZYRS

#38
BR 2221

W. J. [Signature]
Legacy P. [Signature]
SK [Signature]
30-025-10596
UL 100 3, 7235, 10701
TIA S&S Plus Test