

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 August 1, 2011

HOBBS OCD
 JUN 06 2013

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

WELL API NO. 30-025-34016
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 87
9. GRID Number 240974
10. Pool name or Wildcat Langlie Mattix; 7 Rvrs-Queen-Grayburg
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3298' GR

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

2. Name of Operator
LEGACY RESERVES OPERATING LP

3. Address of Operator
P.O. BOX 10848
MIDLAND, TX 79702

4. Well Location
 Unit Letter O : 1190 feet from the SOUTH line and 1531 feet from the EAST line
 Section 3 Township 23S Range 37E NMPM County LEA

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 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: FRAC AND RTP <input checked="" 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.

---SEE ATTACHED PROCEDURE---

OCD Condition of Approval:
 After remedial work has been done. Forms required are:
 C-103 Subsequent Report with dates and the work that was done, and
 C-104 with transporter(s), perms producing from, tubing size and depth
 & 24 hour production test.

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 Kent Williams TITLE SENIOR ENGINEER DATE 06/04/2013

Type or print name KENT WILLIAMS E-mail address: _____ PHONE: 432-689-5200

APPROVED BY: Mark Whitaker TITLE Compliance Officer DATE 06-07-2013

Conditions of Approval (if any):

FRAC & RETURN TO PRODUCTION PROCEDURE

Skelly Penrose A Unit # 87

Field: Landlie Mattix
Zone: Penrose Sand (Queen)
County: Lea Co, NM

Date: 4/12/13
Engineer: Kent Williams
Company: Legacy Reserves Operating,LP

Purpose Of Procedure: Return TA'ed well to active production. Frac stimulate pay section to increase production as never been fraced and only acidized in 1997. This well was TA'ed in February 1999. Will transfer pumping unit, rods and tubing from either SPAU # 54 or 58, as intend to shutin these low rate producers to reduce RTP cost of this well.

Procedure:

1. MIRU pulling unit. Install 3000# minimum WP BOP.
2. RIH w/ 4.375" bit, DC's and 2 7/8" workstring tbg. RU reverse unit and power swivel.
3. Drillout 5" CIBP and cement top at 3460' (35' cement on top at 3425'). Push CIBP to bottom.
4. CO fill to PBTD of 3740'.
5. Install FracStack frac head.
6. RIH w/ 5 1/2" pkr, 2 7/8" tbg and SN to btm perf at 3642'. Hydrotest tbg to 5000# going in hole. Leave pkr swinging. Run swab thru tubing to cleanout tubing. Flush tbg with 21+ bbls 2% KCL. Drop 2500# spot control valve into SN. Spot 200 gal (4.8 bbl) 15% NEFE Dbl Inhibited HCL across perms.. Do not move tubing for 15 minutes.
7. PU pkr and tbg. Set pkr at 3450'. Load annulus. Pressure test to 500#. Bleed off pressure.
8. RU frac company. Acidize and Frac down 2 7/8" tbg to treat Penrose Sand perms w/ 2500 gal 15% NEFE HCL at 8 BPM/4500# max pressure. Frac w/ 23,250 gal (554 bbls) of 30# X-linked gel and 40,000 #'s (31,000# neat, 15,000# resin coated) 16/30 Brady Brown Sand at 25 BPM or 5500 # maximum pressure as follows. Test lines to 5000# before job. Put 100# pressure on casing and monitor annulus pressure during stimulation.

Acid Procedure

Acidize with 2500 gal (59.5 bbl) 15% NEFE HCL at 8 BPM or 4500# max pressure. Pump 20 bbls (840 gal) 2 % KCL water spacer. Proceed directly into sand frac job without shutting down.

Frac Procedure:

3,360 gal (80 bbls) Water Pre-Pad
8,000 gal (190 bbls) 30# X-Link Gel pad
3,000 gal (71 bbls) 30# X-Link Gel at 1/4 PPG 16/30 Brown Sand
2,500 gal (60 bbls) 30# X-Link Gel at 1 PPG 16/30 Brown Sand
1,750 gal (42 bbls) 30# X-Link Gel at 2 PPG 16/30 Brown Sand
2,500 gal (60 bbls) 30# X-Link Gel at 3 PPG 16/30 Brown Sand
2,500 gal (60 bbls) 30# X-Link Gel at 4 PPG 16/30 Brown Sand
1,500 gal (36 bbls) 30# X-Link Gel at 5 PPG 16/30 Brown Sand
1,500 gal (36 bbls) 30# X-Link Gel at 5 PPG 16/30 Resin Coated Sand
3,360 gal (80 bbls) 30# Linear Gel Flush

On frac job mark flush point at 3 #/gal on in-line wellhead densitometer. Flush to top perf. Do not overflush. Shutin well for 15 minutes. Monitor ISIP, 5, 10 and 15 minute shut-in pressures.

Skelly Penrose A Unit # 87

9. Shutin well overnight
10. Flowback to frac tank until dead.
11. POH w/ pkr and 2 7/8" frac string. Lay down tbg.
12. Rig down FracStack frac head. Install BOP.
13. RIH w/ production equipment for rod pump installation. Hydrotest production tubing to 5000# going in hole. Set SN at btm perf of 3642'. Rodstring design will be supplied by Midland Office.
14. RD BOP. Flange up wellhead. RDMO pulling unit.

Note: Production Department will move pumping unit to location from another SPAU well and hang well on pump.

Misc Information:

AFE Cost - \$140,000 AFE # - 213065

BWO - 0 x 0 x 0 (TA'ed)

AWO - 5 x 138 x 0 (Forecast)

Volumes & Strengths -

Tubing: 2 7/8" 6.5# J-55 -	<u>0.0058 bbl/ft</u> , 2.441" ID, 2.347" Drift, Burst 7260#, Collapse 7680#, Cplg OD 3.668"
Casing: 5 1/2" 17# J-55-	<u>0.0232 bbl/ft</u> , 4.892" ID, 4.767" Drift, , Burst 5320# , Collapse 4910#
Annulus: 2 8" x 5 1/2" 17#-	<u>0.0152 bbl/ft</u>

WELLBORE SCHEMATIC

Well Name & No.:	Skelly Penrose A Unit # 87		
Field:	Langlie Mattix (7Rivers/Queen/Grayburg)		
Location:	1190 ' FS L x 1531' FEL, Sec. 3 , Unit Letter O, T-23-S, R-37-E		
County:	Lea	State: NM	API #: 30-025-34016
GR Elev:	3298	Spud Date:	07/09/97
KB :	11.0	Original Operator:	Apache Corp.
KB Elev:	3309	Original Lease Name:	Skelly Penrose A Unit # 87

