

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

LEGACY RESERVES OPERATING LP

3a. Address

PO BOX 10848
MIDLAND, TX 79702

3b. Phone No. (include area code)

432-689-5200

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FNL & 1980' FWL, UNIT LETTER F, SEC 31, T19S, R29E

5. Lease Serial No.
NM-13237

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
MARTINEZ 31 FEDERAL #19. API Well No.
30-015-2319510. Field and Pool or Exploratory Area
WINCHESTER; BONE SPRING11. County or Parish, State
EDDY COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent☒ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☒ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other _____

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 recompleate 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 recompleation 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.)

FORMATION: BONE SPRING

WATER PRODUCED: 0

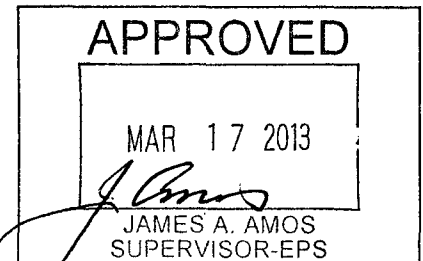
STORED: WATER TANK

MOVED: TRUCKED

DISPOSAL: NIX ANN SWD-1 API #30-015-23580

LOCATION: 18-T19S-R26E

PERMIT: #246

Accepted for record
NMOCD

R. W. Dale 3/27/13

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

KEVIN BRACEY

Title OPERATIONS SUPERINTENDENT

Signature

Date 02/19/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

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)

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MARTINEZ 31 FEDERAL #1

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30-015-23195

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WINCHESTER; BONE SPRING

11. County or Parish, State
EDDY COUNTY, NM

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TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<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 type="checkbox"/> Temporarily Abandon	_____
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input checked="" type="checkbox"/> Water Disposal	_____

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

Conditions of Approval

**Legacy Reserves Operating LP
Martinez 31 Federal #1
Lease NM13237 3001523195**

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
2. Submit for approval of water disposal method.
3. Submit updated facility diagrams as per Onshore Order #3
4. This agency shall be notified of any spill or discharge as required by NTL-3A.
5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
6. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
7. Subject to like approval by NMOCD.

WATER DISPOSAL ONSHORE ORDER #7

The following information is needed before your method of water disposal can be considered for approval.

1. Name(s) of formation (s) producing water on the lease.

Bone Spring

2. Amount of water produced from each formation in barrels per day.

0

3. How water is stored on the lease.

Water tank

4. How water is moved to disposal facility.

Trucking

5. Operator's of disposal facility

a. Lease name or well name and number Nix Ann SWP

b. Location by $\frac{1}{4}$ $\frac{1}{4}$ Section, Township, and Range of the disposal system _____

Sec 18 - T19S - R 26E

c. The appropriate NMOCD permit number _____

246

Sales Phase

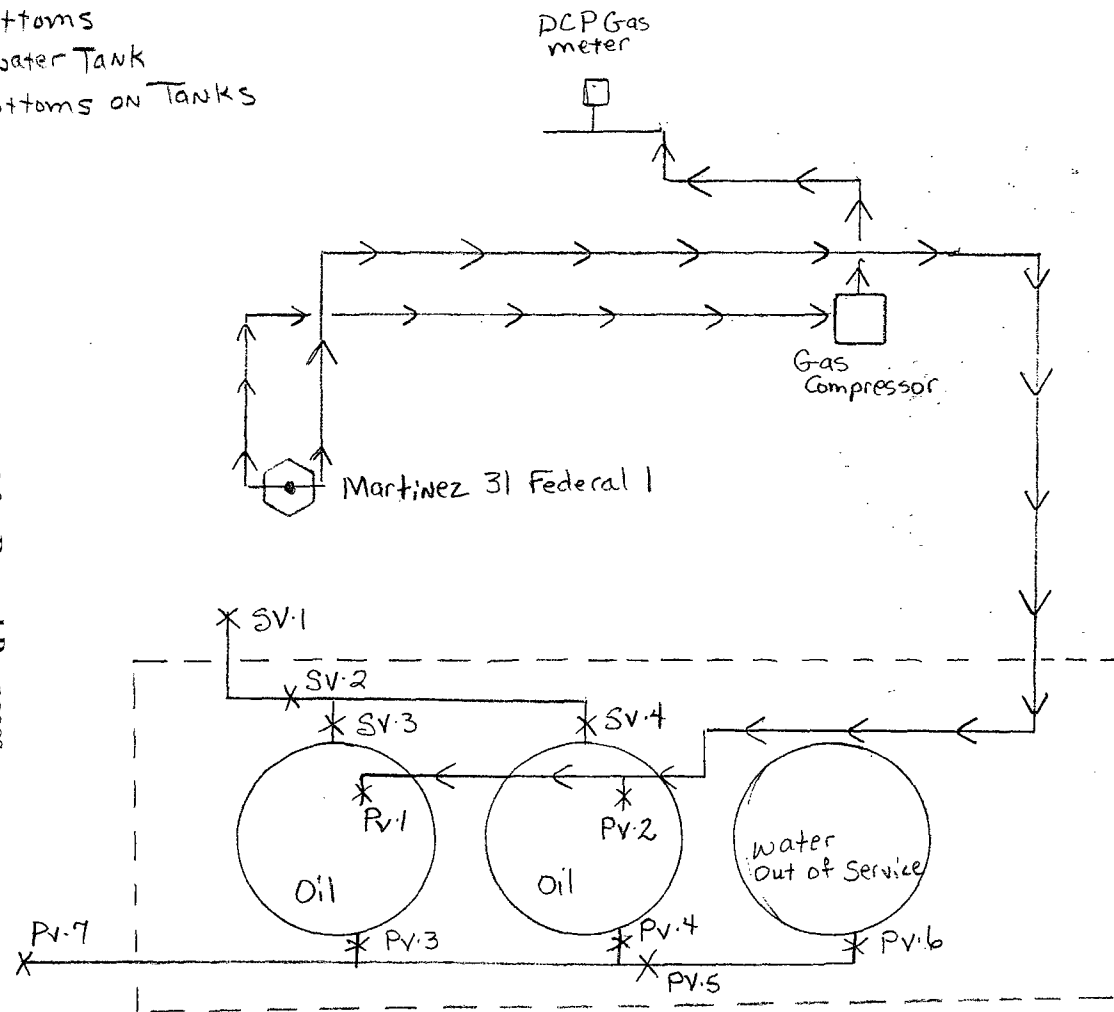
SV1 - Closed - Load line valve for oil tanks
SV2 - open - Inline valve on oil load line
SV3 - closed (Sealed) - oil tank valve on loadline
SV4 - Closed (Sealed) - oil tank valve on loadline

Production Phase

- PV1 - open - Fill line for oil Tank
- PV2 - closed - Fill line for oil Tank
- PV3 - Closed - line to pull bottoms, oil Tank
- PV4 - closed - line to pull bottoms, oil Tank
- PV5 - closed - inline valve to pull bottoms
- PV6 - Closed - line to pull bottoms water Tank
- PV7 - Closed - Valve on end to pull bottoms on Tanks

Keycity reserves

Martinez 31 Federal #1
State ID - NM 13237
Sec. F-31-19S-29E
API 30-015-23195



Accepted for Record Purposes.
Approval Subject to Onsite Inspection.
Date: 3.17.13



WATER ANALYSIS REPORT

SAMPLE

Oil Co: LEGACY
Lease: MARTINEZ FED
Well No.: 31-1
Location: BATTERY
Attention: ACCT. MANAGER

Date Sampled: 12/20/12
Date Analyzed: 12/26/12
Lab ID Number: 12/26/12LEGACYMARTINEZ FED31-1
Account Manager: B. STRUBE
Requested By: LAB

File Name: 12/26/12LEGACYMARTINEZ FED31-1

ANALYSIS

1 pH 6.9
2 Specific Gravity 1.014
3 CaCO₃ Saturation Index @80 F -0.14
@140 F 0.69

DISSOLVED GASES

4 Hydrogen Sulfide
5 Carbon Dioxide
6 Dissolved Oxygen

CATIONS

7 Calcium (Ca⁺⁺) 2,700
8 Magnesium (Mg⁺⁺) 0
9 Sodium (Na⁺⁺) (Calculated) 5,570
10 Barium (Ba⁺⁺) 1

ANIONS

11 Hydroxyl (OH⁺) 17.0
12 Carbonate (CO₃⁻) 30.0
13 Bicarbonate (HCO₃⁻) 110
14 Sulfate (SO₄⁻) 142
15 Chloride (Cl⁻) 13,000
16 Total Dissolved Solids 21,640
17 Total Iron (Fe) 102
18 Total Hardness as CaCO₃ 6,750
19 Resistivity-NaCl equivalent@ 69 °F 0.3114

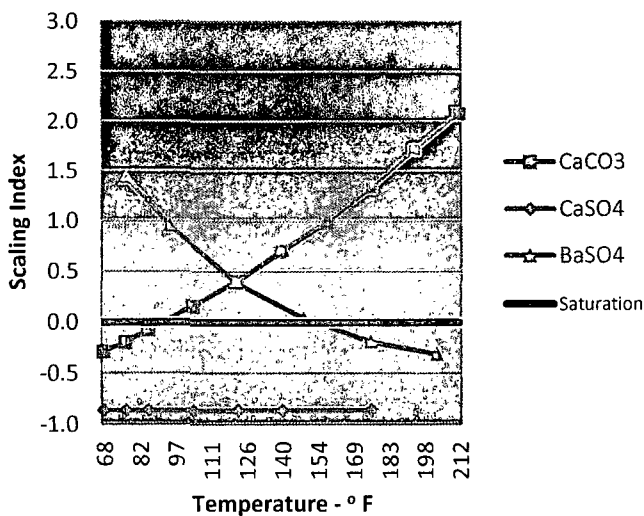
MG/L	EQ. WT	MEQ/L
0		
15		
NOT DETERMINED		

2,700	20.1	134.33
0	12.2	0.00
5,570	23.0	242.17
1	68.7	0.01

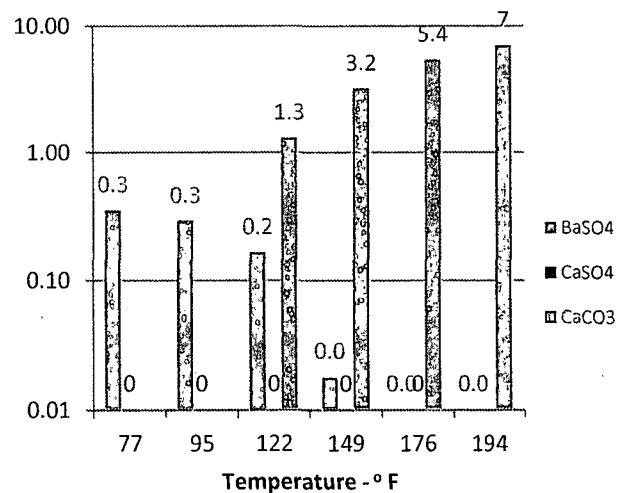
17.0	0.00
30.0	0.00
110	1.80
142	2.91
13,000	366.20
21,640	
102	5.61

OHM~METERS

Composite
Kel-tech Scaling Index



Maximum
Amount of Scale in Pounds per 1000
BBLs



Environmental Protection Agency
Spill Prevention Control & Countermeasures Plan

Legacy Reserves

Martinez 31 Federal #1

Eddy County, New Mexico

FACILITY INFORMATION

1.0 Facility Type and Location

Facility: Martinez 31 Federal #1
Type of Facility: Onshore Oil and Gas Production
State Identification: API 30-015-23195
Facility Location: 15.3 miles northeast of Carlsbad
County: Eddy State: New Mexico
Latitude: 32.618954 N Longitude: 104.11429 W
Direction to Facility: Refer to Facility Location Map, Attachment 1

1.1 Facility Owner and Operator

Name and address of owner:

Name: Legacy Reserves
Address: 303 W. Wall, Suite 1400
Midland, Texas 79701

Telephone: (432) 689-5200

Name and address of operator:

Name: Legacy Reserves
Address: 303 W. Wall, Suite 1400
Midland, Texas 79701

Telephone: (432) 689-5200

2.0 Determination of Non-Applicability

☐ This Facility does not meet the general applicability requirements of 40 CFR, Part 112.1 (b)

and/or

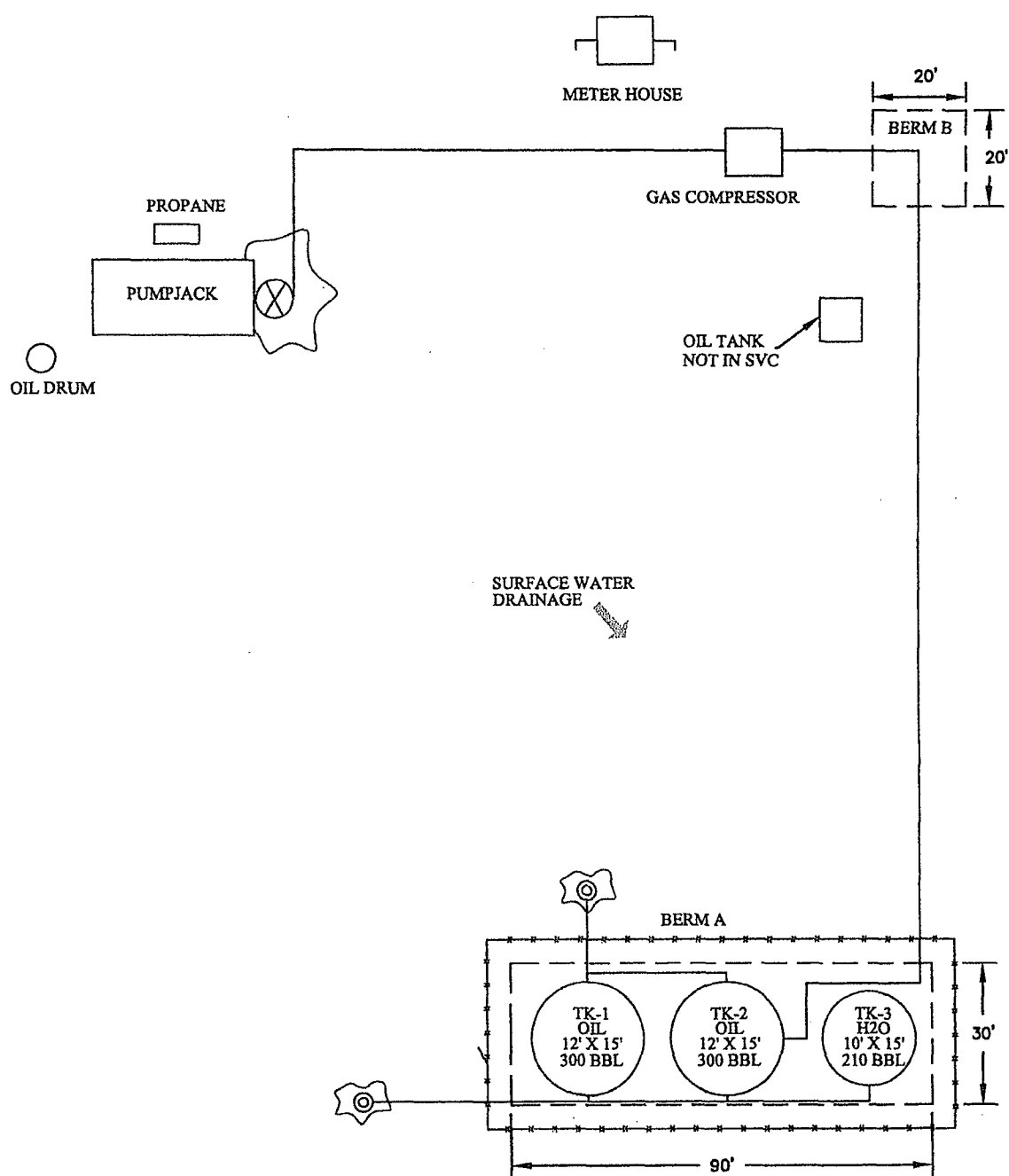
This Facility meets the non-applicability requirements of 40 CFR, Part 112.1 (d) for the following reasons:

☒ This Facility, due to its location, could not reasonably be expected to create a discharge of oil in harmful quantities into or upon navigable waters or adjoining shorelines. The nearest waterway is Clayton Basin, seven miles to the southeast.

☐ This Facility has a storage capacity of less than 1,320 gallons of oil.

☐ This Facility is a natural gas production facility which does not produce merchantable quantities of oil.

Operator: Legacy Reserves
Facility: Martinez 31 Federal #1
Date: 03/06/06



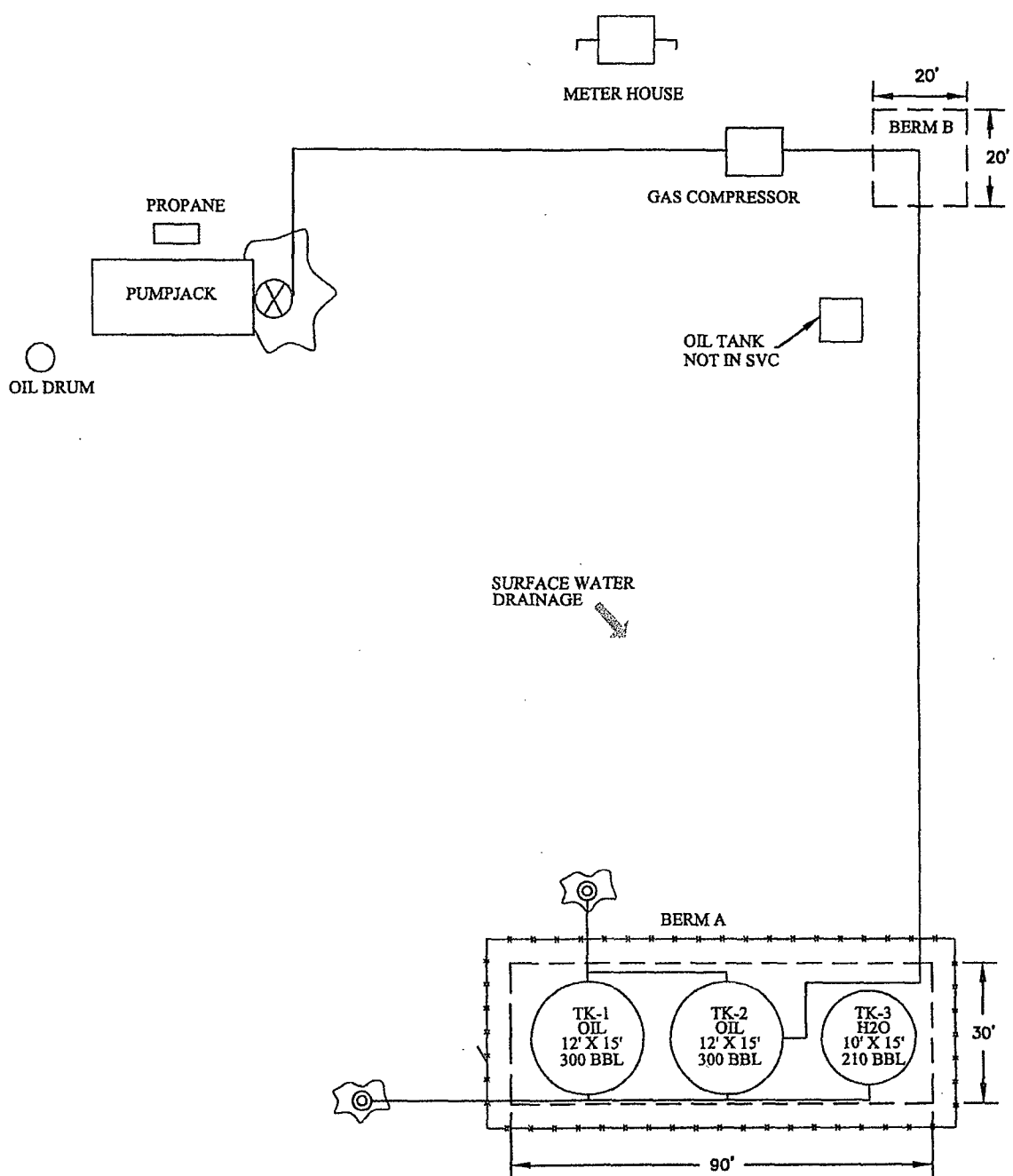
- - Berm
- - - - Fence
- — — Pipeline
- ☼ - Oil Staining

Lat.: 32.618954° N
Long.: -104.11429° W



Date: 06/22/2012
Scale: NTS
Drawn By: EMF

Martinez 31 Federal #1
Legacy Reserves
Eddy County, New Mexico
SPCC Site Plan



- - Berm
- - - - Fence
- - Pipeline
- ☼ - Oil Staining

Lat.: 32.618954° N
Long.: -104.11429° W



Date: 06/22/2012
Scale: NTS
Drawn By: EMF

Martinez 31 Federal #1
Legacy Reserves
Eddy County, New Mexico
SPCC Site Plan

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

**Disposal of Produced Water From Federal Wells
Conditions of Approval**

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. 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.
5. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
6. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
7. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
8. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.

9/22/09