

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources
Department
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144 CLEZ
Revised August 1, 2011

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: Permit Closure

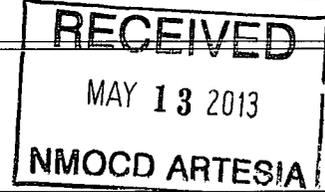
Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: LEGACY RESERVES OPERATING LP OGRID #: 240974
Address: P.O. BOX 10848 MIDLAND, TX 79702
Facility or well name: E HI LONESOME FEDERAL #29
API Number: 30-015-21502 OCD Permit Number: 214328
U/L or Qtr/Qtr D Section 13 Township 16S Range 29E County: EDDY
Center of Proposed Design: Latitude _____ Longitude _____ NAD: 1927 1983
Surface Owner: Federal State Private Tribal Trust or Indian Allotment

2.
 Closed-loop System: Subsection H of 19.15.17.11 NMAC
Operation: Drilling a new well Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) P&A
 Above Ground Steel Tanks or Haul-off Bins

3.
Signs: Subsection C of 19.15.17.11 NMAC
 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
 Signed in compliance with 19.15.16.8 NMAC



4.
Closed-loop Systems Permit Application Attachment Checklist: Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
 Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
 Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
 Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
 Previously Approved Design (attach copy of design) API Number: _____
 Previously Approved Operating and Maintenance Plan API Number: _____

5.
Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only: (19.15.17.13.D NMAC)
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.
Disposal Facility Name: TO BE DETERMINED BASED ON AVAILABILITY Disposal Facility Permit Number: _____
Disposal Facility Name: _____ Disposal Facility Permit Number: _____
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?
 Yes (If yes, please provide the information below) No
Required for impacted areas which will not be used for future service and operations:
 Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
 Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
 Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6.
Operator Application Certification:
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.
Name (Print): BLAIN LEWIS Title: SENIOR ENGINEER
Signature: *Blain Lewis* Date: 05/08/2013
e-mail address: blewis@legacylp.com Telephone: 432-689-5200

7. **OCD Approval:** Permit Application (including closure plan) Closure Plan (only)

OCD Representative Signature: JR Dade Approval Date: 5/15/2013

Title: Dist # Supervisor OCD Permit Number: 214328

8. **Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

Closure Completion Date: _____

9. **Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**

Instructions: Please indentify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

Yes (If yes, please demonstrate compliance to the items below) No

Required for impacted areas which will not be used for future service and operations:

- Site Reclamation (Photo Documentation)
- Soil Backfilling and Cover Installation
- Re-vegetation Application Rates and Seeding Technique

10. **Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____ Title: _____

Signature: _____ Date: _____

e-mail address: _____ Telephone: _____

Legacy Reserves Operating, LP

E Hi Lonesome Federal #29

Unit D, Sec. 13, T16S, R29E

Eddy County, New Mexico

API#: 30-015-21502

Equipment and Design:

Legacy Reserves Operating, LP will use a closed loop system in this plugging procedure. The following equipment will be on location:

- 1) 500 bbl steel tank.

Operation and Maintenance:

During each day of operation, the rigs crew will inspect and closely monitor the fluids contained within the steel tank and visually monitor any release that may occur. Should a release or spill occur, the NMOCD District 1 office Hobbs (575-393-6161) will be notified, as required in NMOCD's rule 19.15.29.8.

Closure:

After the workover is completed, fluids and solids will be hauled and disposed at an NMOCD – approved and permitted disposal location.



East High Lonesome Federal #29 – P&A Procedure

Estimated start date: 5/20/13

Well Info:

Spudded 6/9/1975

8-5/8", 23# surface casing set at 496' (cemented with 100 sx Class "C" to surface)

TD 2140'

4-1/2", 9.5# production casing set at 2140' (cemented with 200 sx Class "C" – calculated top of cement 1300')

Perfs: 2068'-2078' and 2082'-2085' (14 holes)

PBTD 2040' (retrievable bridge plug set in 5/2013) – original PBTD 2098'

No tubing in hole, no rods in hole

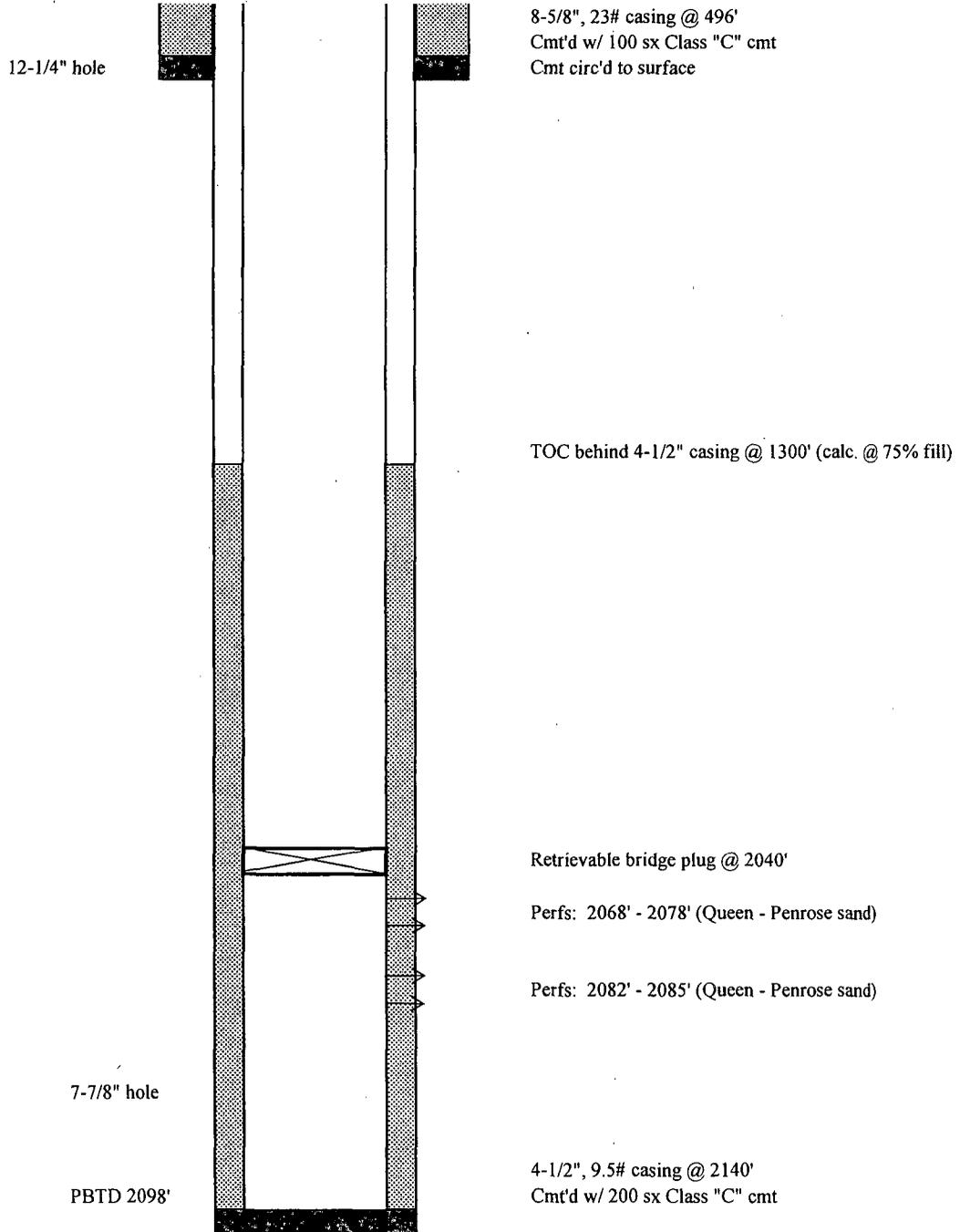
Procedure:

1. Notify appropriate agency 48 hrs. prior to commencing operation.
BLM-Carlsbad (575- 234-5972) or NMOCD-Hobbs (575-393-6161)
2. MIRU plugging company. Move in 2100' work string of 2-3/8" tubing.
3. Cement plug #1 (dump bail 2 sx cement on top of RBP at 2040'): MIRU wireline unit, RIH with dump bailer and dump 2 sx (24') cement plug on RBP at 2040'.
4. RIH with 2-3/8" tubing and circulate hole above 2000' with plugging mud (30 bbls). POH with work string, laying down all but 550'.
5. RIH with jet cutter on wireline and cut 4-1/2" casing at 1200'. POH and RDMO wireline unit.
6. Pull and lay down top 1200' of 4-1/2" casing. RIH with 2-3/8" tubing to 550'.
7. Cement plug #2 (7-7/8" hole and across 8-5/8" casing shoe): Spot 35 sx cement plug (class C) from 446'-550' (100' plug across the shoe of the 8-5/8" casing). POH and lay down remainder of 2-3/8" work string.
6. Cement plug #3 (8-5/8" casing): Spot 10 sx surface cement plug (class C) down 8-5/8" casing from surface - 35'.
7. Cut casing below bradenhead. Weld steel cap over 8-5/8" surface casing and weld hole marker above steel cap. Clean location.

Blain Lewis
Senior Engineer

CURRENT WELLBORE DIAGRAM

| | | | |
|------------------|--|----------------------|--------------------------|
| Well Name & No.: | East High Lonesome Federal #29 | | |
| Field: | High Lonesome; Queen | | |
| Location: | 825' FNL, 1295' FWL, Sec. 13, T-16-S, R-29-E | | |
| County: | Eddy | State: New Mexico | API #: 30-015-21502 |
| GR Elev: | 3729' | Spud Date: | 06/09/75 |
| KB: | | Original Operator: | General American Oil Co. |
| KB Elev: | | Original Lease Name: | Brewer |



PROPOSED WELLBORE DIAGRAM

| | | | |
|------------------|--|----------------------|--------------------------|
| Well Name & No.: | East High Lonesome Federal #29 | | |
| Field: | High Lonesome; Queen | | |
| Location: | 825' FNL, 1295' FWL, Sec. 13, T-16-S, R-29-E | | |
| County: | Eddy | State: New Mexico | API #: 30-015-21502 |
| GR Elev: | 3729' | Spud Date: | 06/09/75 |
| KB: | | Original Operator: | General American Oil Co. |
| KB Elev: | | Original Lease Name: | Brewer |

10 sx surface cement plug to 35'

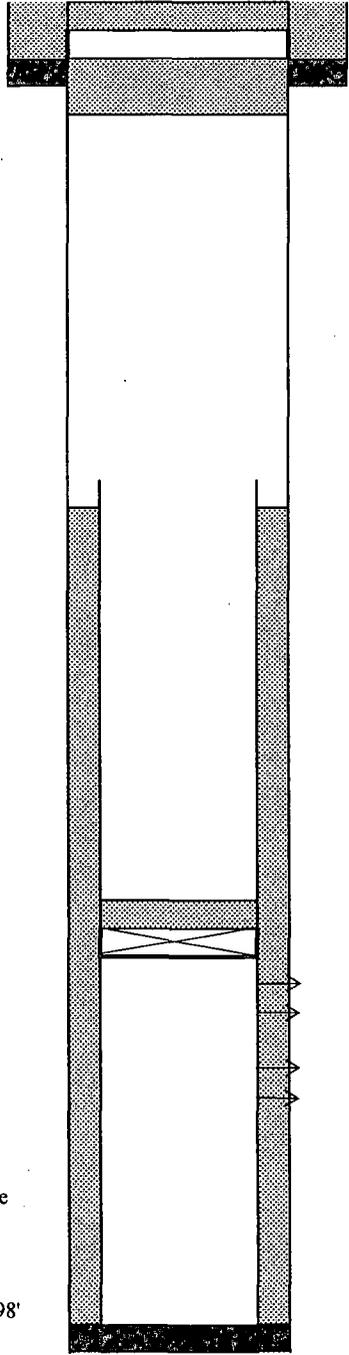
12-1/4" hole

35 sx cement plug in 7-7/8" hole & across 8-5/8" casing shoe (446'-550')

Cut off and recover 4-1/2" casing to 1200'

7-7/8" hole

PBTD 2098'



8-5/8", 23# casing @ 496'
Cmt'd w/ 100 sx Class "C" cmt
Cmt circ'd to surface

TOC behind 4-1/2" casing @ 1300' (calc. @ 75% fill)

2 sx cmt (24') on top of RBP
Retrievable bridge plug @ 2040'

Perfs: 2068' - 2078' (Queen - Penrose sand)

Perfs: 2082' - 2085' (Queen - Penrose sand)

4-1/2", 9.5# casing @ 2140'
Cmt'd w/ 200 sx Class "C" cmt