

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

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

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30-015-00658
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator LEGACY RESERVES OPERATING LP		6. State Oil & Gas Lease No.
3. Address of Operator PO BOX 10848, MIDLAND, TX 79702		7. Lease Name or Unit Agreement Name SOUTH RED LAKE II UNIT
4. Well Location Unit Letter <u>E</u> : <u>2310</u> feet from the <u>NORTH</u> line and <u>990</u> feet from the <u>WEST</u> line Section <u>36</u> Township <u>17S</u> Range <u>27E</u> NMPM County <u>EDDY</u>		8. Well Number <u>13</u>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3580' GR		9. OGRID Number 240974
		10. Pool name or Wildcat RED LAKE;QUEEN-GRAYBURG-SA

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input checked="" type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input checked="" type="checkbox"/> OTHER: <input type="checkbox"/>		<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/>	
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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.

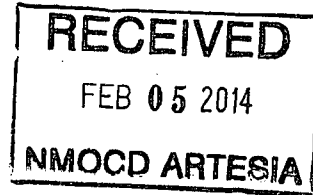
ESTIMATED START DATE: 03/15/2014

---SEE ATTACHED P&A PROCEDURE ALONG WITH CURRENT & PROPOSED WELLBORE DIAGRAMS---

Approved for plugging of well bore only.  
Liability under bond is retained pending receipt of C-103 (Subsequent Report of Well Plugging) which may be found at OCD Web Page under Forms, www.cmnrd.state.nm.us/oed.

CONDITIONS OF APPROVAL ATTACHED

Approval Granted providing work is Completed by Feb 6<sup>th</sup> 2015



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 Craig Sparkman TITLE OPERATIONS ENGINEER DATE 02/03/2014

Type or print name CRAIG SPARKMAN E-mail address:  PHONE: 432-689-5200

For State Use Only

APPROVED BY: [Signature] TITLE DIST H Supervisor DATE 2/6/2014

Conditions of Approval (if any):

\* See Attached COA's : Notify Artesia OCD



### South Red Lake II Unit #13 – P&A Procedure

Estimated start date: 3/15/2014

1. MIRU plugging company. NU 3000# min. BOP.
2. Plug 1 (in 7" csg): Place 35' of cmt (class C from 1,300'-1,265') on top of CIBP @ 1,300'.
3. Circ hole w/plugging mud.
4. Plug 2 (in 7" csg across 8" csg shoe): Set 100' cmt (class C) from 737' – 837'.
5. Plug 3 (in 7" csg): Set 60' cmt plug (class C) fr/60'-surf.
6. Cut off well head. Weld on dry hole marker. Clean location.

-Notify appropriate agency 48 hrs. prior to commencing operation.  
(BLM-Carlsbad (575- 234-5972) or NMOCD-Hobbs (505-393-6161))

*Artesia: 575-748-1283*

Craig Sparkman  
Petr. Eng.



## South Red Lake II Unit #13

LOCATION: See Below for SHL & BHL

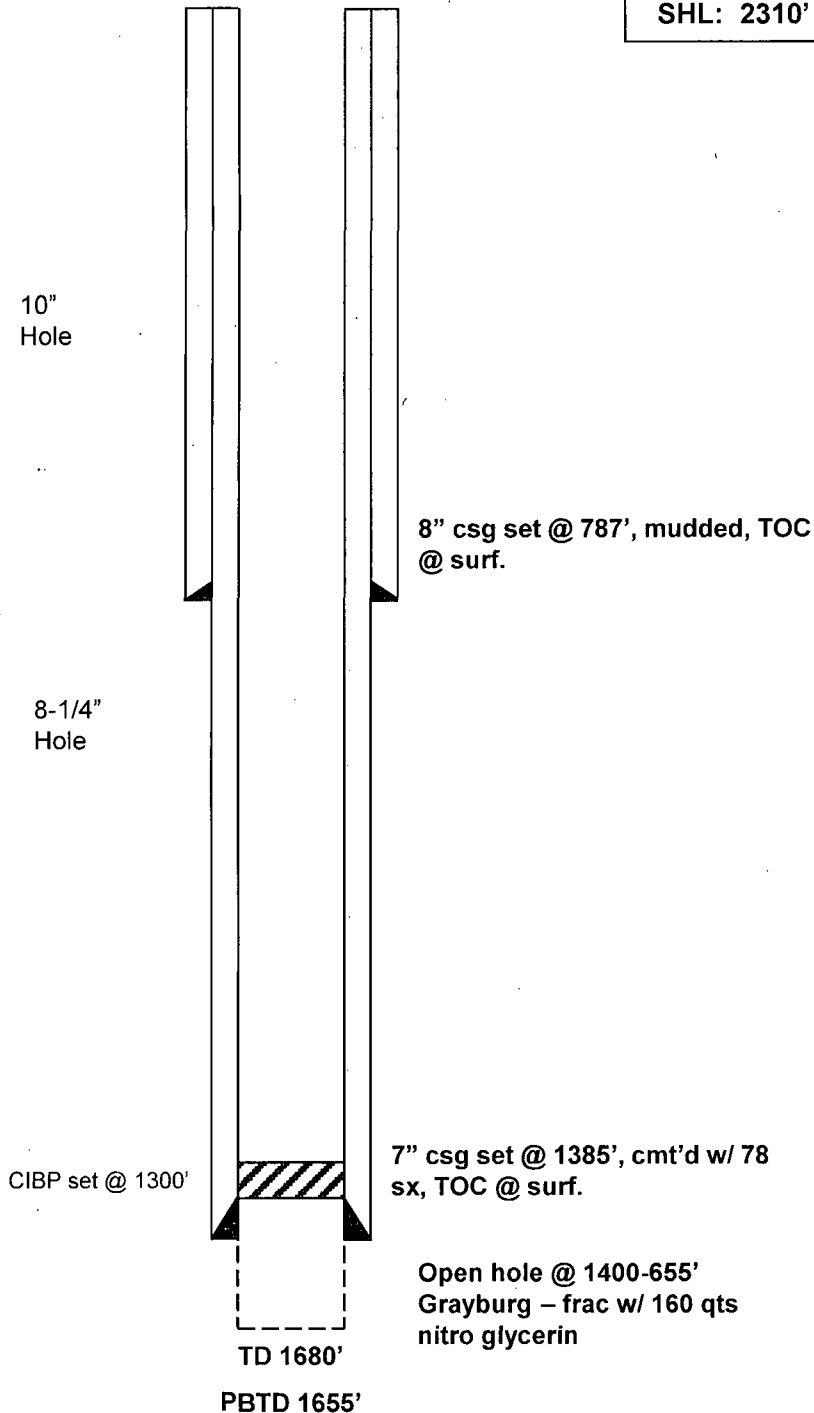
FIELD: Red Lake  
COUNTY: Eddy  
STATE: New Mexico

GR: 3580'  
RDB:  
SPUD DATE: 03/11/49

LATEST UPDATE: 01/24/2014  
BY: MAL  
API No: 30-015-00658

### Location:

SHL: 2310' FNL & 990' FWL, Sec 36, T 17-S, R 27-E



03/08/07

Set CIBP @ 1300', circ. Packer fluid,  
pressure test csg to 500# for 30 minutes.  
Well is TA until 03/08/12



## South Red Lake II Unit #13

LOCATION: See Below for SHL & BHL

PROPOSED

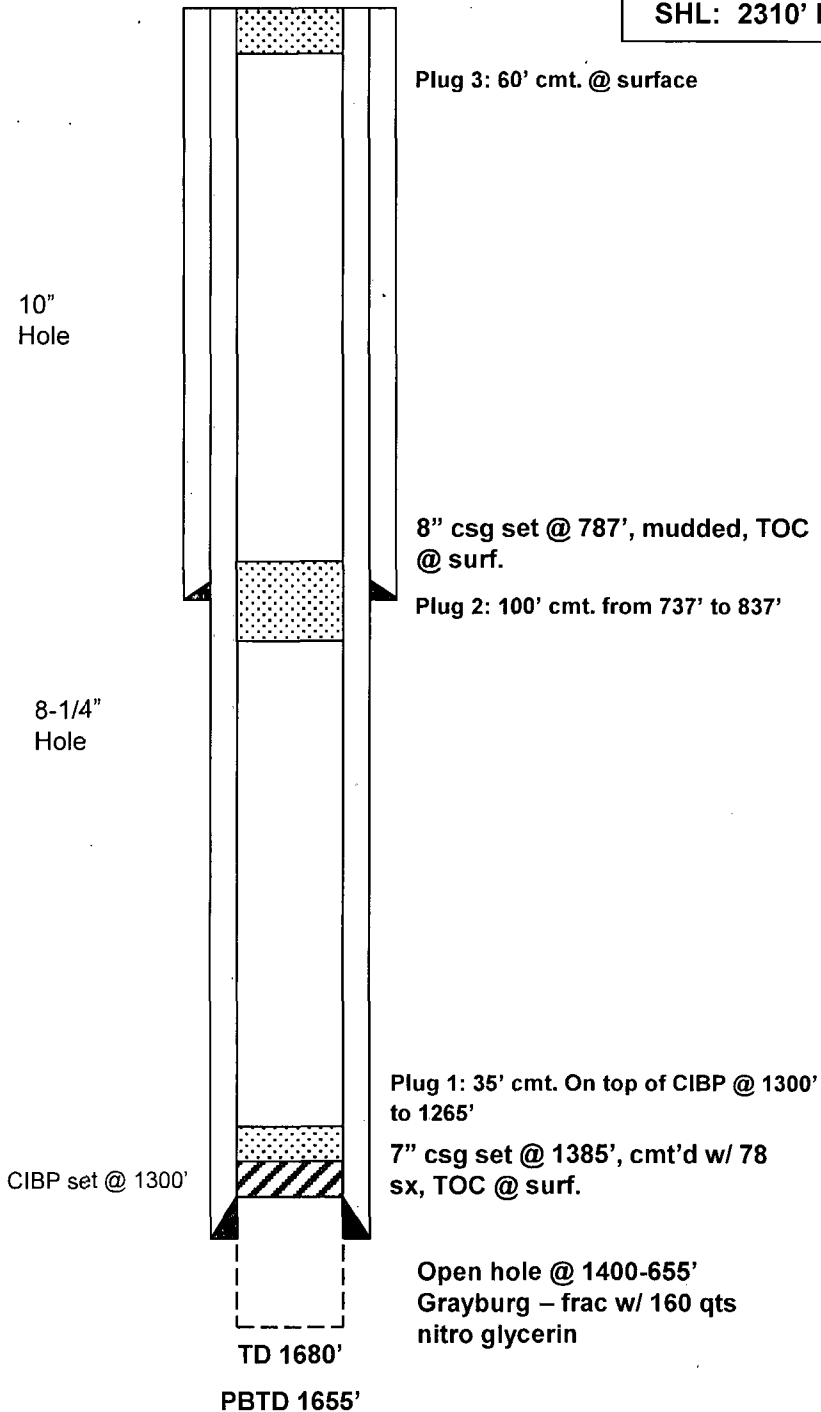
FIELD: Red Lake  
COUNTY: Eddy  
STATE: New Mexico

GR: 3580'  
RDB:  
SPUD DATE: 03/11/49

LATEST UPDATE: 01/31/2014  
BY: MAL  
API No: 30-015-00658

### Location:

SHL: 2310' FNL & 990' FWL, Sec 36, T 17-S, R 27-E



03/08/07

Set CIBP @ 1300', circ. Packer fluid, pressure test csg to 500# for 30 minutes. Well is TA until 03/08/12

NEW MEXICO OIL CONSERVATION DIVISION  
DISTRICT 2 OFFICE  
811 S. FIRST STREET  
ARTESIA, NM 88210  
(575)748-1283

CONDITIONS OF APPROVAL FOR PLUGGING & ABANDONMENT

Operator: Legacy Reserves  
Well Name & Number: South Red Lake #211 #13  
API #: 30-015-00658

1. Produced water **will not** be used during any part of the plugging & abandonment operation.
2. Notify NMOCD Dist. 2 office at least 24 hrs before beginning work.
3. Closed Loop System is to be used for entire plugging operation. Upon completion, contents of steel pit are to be hauled to a permitted disposal location.
4. Trucking companies being used to haul oilfield waste fluids to a disposal – commercial or private – shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator, as well as the contractor, to verify that this permit is place prior to performing work. Drivers shall produce a copy upon request of NMOCD Field Inspectors.
5. A subsequent C-103 will serve as notification that the well bore has been plugged ONLY. A C-103 FINAL shall be filed before any bonding can be released on the well. Upon receipt of the Final, an inspection will be performed to verify that the location has been satisfactorily cleaned to NMOCD standards.
6. If work has not begun within 90 days of the approval of this procedure, an extension request must be filed, stating reason that well has not been plugged.
7. Every attempt must be made to clean the well bore out to below the perfs, before any plugs can be set, by whatever means possible.
8. Cement Retainers may not be used.

9. Squeeze pressures are not to exceed 500 PSI, unless approval is given by NMOCD.
10. Plugs may be combined after consulting with and getting approval from NMOCD.
11. Minimum WOC time for tag plugs will be 4 Hrs.

DATE: 2/6/14

APPROVED BY: AD

## GUIDELINES FOR PLUGGING AND ABANDONMENT

### DISTRICT II / ARTESIA

- All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater.
- Mud laden fluids must be placed between all cement plugs.
- Mud laden fluids must be mixed at 25 sacks of gel per 100 bbls of water.
- A cement plug is required to be set 50' below and 50' above all casing shoes and casing stub plugs. These plugs must be tagged.
- A CIBP with 35' of cement on top may be set in lieu of 100' cement plug.
- A plug as indicated above must be placed within 100' of top perforation. This plug must be tagged.
- Plugs set below and above salt zones must be tagged.
- No more than 2000' is to be allowed between cement plugs in open hole and no more than 3000' in cased hole.
- DV tools are required to have a 100' cement plug set 50' above and below the tool and must be tagged.
- Formations to be isolated with plugs placed at the top of each formation are:
  - Fusselman
  - Devonian
  - Morrow
  - Wolfcamp
  - Bone Spring
  - Delaware
  - Any Salt Section (Plug at top and bottom)
  - Abo
  - Glorieta
  - Yates (this plug is usually at base of salt section)
- If cement does not exist behind casing strings at recommended formation depths, the casing must be cut and pulled with plugs set at these depths or casing must be perforated and cement squeezed behind casing at the formation depths.
- In the R-111-P area (Potash Mine area) a solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts common to the section penetrated and in suitable proportions, but not more than a 3% calcium chloride by weight of cement will be considered the desired mixture whenever possible (50' below and 50' above).