

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

<p>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.)</p>		<p>WELL API NO. 30-015-26317</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator LEGACY RESERVES OPERATING LP</p>		<p>6. State Oil & Gas Lease No.</p>
<p>3. Address of Operator PO BOX 10848, MIDLAND, TX 79702</p>		<p>7. Lease Name or Unit Agreement Name SHUGART A STATE COM</p>
<p>4. Well Location Unit Letter <u>C</u> : <u>660</u> feet from the <u>NORTH</u> line and <u>1980</u> feet from the <u>WEST</u> line Section <u>16</u> Township <u>18S</u> Range <u>31E</u> NMPM County <u>EDDY</u></p>		<p>8. Well Number <u>1</u></p>
<p>9. OGRID Number 240974</p>		<p>10. Pool name or Wildcat SHUGART BONE SPRING, NORTH</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3673' GL</p>		

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 checked="" 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"/>			
CLOSED-LOOP SYSTEM <input checked="" type="checkbox"/>			
OTHER: <input 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.

NM OIL CONSERVATION
ARTESIA DISTRICT

AUG 04 2014

---SEE ATTACHED---

RECEIVED

INSTALLED CLOSED-LOOP SYSTEM WITH STEEL TANKS. HAULED CONTENTS FROM CLOSED-LOOP SYSTEM TO APPROVED NMOC DISPOSAL LOCATION ACCORDING TO RULE 19.15.17.

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 07/29/2014

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

For State Use Only

APPROVED BY: RDade TITLE Disposal Supervisor DATE 8-12-14

Conditions of Approval (if any):

Legacy Reserves
DAILY OPERATIONS REPORT - (All Days)

1/1/2014 thru 7/21/2014

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Shugart A State Com # 1

Eddy Co., NM

Zone: Morrow, North (Gas) Field: Shugart

Plug back and recomplete in Bone Springs

Mar 10, 2014 Monday (Day 1)

MIRU Lucky well Service. Pick up on rods, Found rods parted 4 rods down in coupling. Release tubing anchor, Install BOP. SDFN.

Daily Cost:

Cum. Cost:

Mar 11, 2014 Tuesday (Day 2)

Pull tubing to Rod part. Rig up to pull rods. Unseat pump and POH rod string. Start out hole w/ production tubing.

Daily Cost:

Cum. Cost:

Mar 12, 2014 Wednesday (Day 3)

Finish POH w/production tubing. RIH w/3 7/8" bit picking up 2 7/8" workstring and tag at 10,359'. POH. SDFN.

Daily Cost:

Cum. Cost:

Mar 13, 2014 Thursday (Day 4)

RIH w/ 4 1/2" Cement retainer on 326 joints 2 7/8" workstring, set at 10,350'. Pump 90 BBL class H cement to Strawn perfs at 10,700' with pressure climbing to 3800#. Sting out retainer. POH. SDFN.

Daily Cost:

Cum. Cost:

Mar 14, 2014 Friday (Day 5)

MIRU Pump truck. Test casing 500#. No leak off. Rig up Capitan wireline. Run CBL/GR/CCL from 9697' to top cement at 3251'. Perforate 8917'-34', 8910'-14', 8882'-90', 8845'-51' w/2 JSPF, 120 deg phasing, total 78 Holes. SDFN.

Daily Cost:

Cum. Cost:

Mar 17, 2014 Monday (Day 6)

SIP 0#. RIH w/4 1/2" CPW packer 283 joints 2 7/8" Work string to 8935'. Rig up Cudd pumping services. Spot 2 BBL 20% acid across perfs 8845'-8934'. Pull packer to 8776', Reverse 3 BBL, set packer at 8776'. Acidize perfs 8845'-8934' w/8000 gal 20% HCL acid w/150 ball sealers at avg rate 6.4 BPM at avg 5219#. Balled out formation twice. ISIP 2977#, 5 min 2838#, 10 min 2815#, 15 min 2769#. Load to recover. Shut in well. SDFN.

Daily Cost:

Cum. Cost:

Mar 18, 2014 Tuesday (Day 7)

SITP 2200#. Open on 12/64 choke. Flowed down in one hour. Recovered 7 BBL 100% water. Rig up Swab. First Hour, Made 4 runs, FL surface-3500', recovered 30 BBL, 100% water. Second hour, made 4 Runs, FL 3500'-6800', recovered 21 BBL w/3-4% oil w/strong acid gas. Thrid hour made 2 runs, FL scattered to SN, recovered no fluid. Shut in 30 minutes. Fourth hour, make 1 run, FL scattered-SN, no fluid recovered. Shut in well. SDFN load recovered 58 BBL, load to recover 185 BBL.

Daily Cost:

Cum. Cost:

Mar 19, 2014 Wednesday (Day 8)

SITP 100#. Open to frac tank flowed Natural gas for 20 minutes, no fluid. Rig up Swab. First hor, made 3 runs, FL 6400'-SN, Recovered 15 BBL, 20% oil w/fair Natural gas. Second Hour, Made 3 runs, FL 8500'-SN, Recovered 5 BBL 60% oil W/fair Natural gas. Wait one Hour between hours 3-4-5-6. Thrid, Fourt, Fifth and Sixth hour all same, Made one run, FL 8500', no fluid recovered, Fair Natural gas during swab run. SDFN. Fluid recovered 20 BBL oil/water.

Daily Cost:

Legacy Reserves
DAILY OPERATIONS REPORT - (All Days)

1/1/2014 thru 7/21/2014

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Shugart A State Com # 1

Eddy Co., NM

Zone: Morrow, North (Gas) Field: Shugart

Cum. Cost:

Mar 20, 2014 Thursday (Day 9)

SITP 30#. Rig up Swab. Made two runs, FL 7000'-8500' scattered. Recovered 5 BBL 50% oil on 1st run, no fluid recovered on 2nd run. Release packer and POH. Rig up Capitan wireline. Perforate 8740'-8790', 8195'-8220', 7994'-7959', 7910'-7927', 7878'-7894', 7796'-7810' w/2 SPF total 286 joints. SDFN.

Daily Cost:

Cum. Cost:

Mar 21, 2014 Friday (Day 10)

RIH w/4 1/2 T-S RBP w/ball catcher, 4 1/2 CPW, 2 7/8 Seating nipple and 282 joints 2 7/8 Workstring. Set RBP at 8900', set packer at 8877' w/281 joints test RBP to 1000#. Release packer and pull up to 7768' w/246 joints above all perfs. SDFW.

Daily Cost:

Cum. Cost:

Mar 24, 2014 Monday (Day 11)

SIP 30#. Flowed back 5 BBL water. RIH w/packer to 8788'. MIRU Cudd pumping services. Spot 2 BBL 20% HCL across perfs 8740'-8790', Pull packer to 8624', reverse 3 BBL, set packer, pressure casing to 500#. Begin break down perfs 8740'-8790' when communicated to backside. Release packer and pull above all perfs. Set packer at 7737', Pressure casing to 500'. Acidize perfs 7796'-7810', 7878'-7894', 7910'-7927', 7944'-7959', 8195'-8220', 8740'-8790' w/10,500 gal 20% NEFE HCL acid w/300 Ball sealers at avg 6.8 BPM at avg 4326#. ISIP 2908#, 5 min 2678#, 10 min 2469#, 15 min 2369#. Load 312 BBL. Shut well in one hour. SIP 1800#, open on 14/64 choke for 1 3/4 hours. Flowed back 36 BBL 100% water. SDFN. Load left to recover 279 BBL.

Daily Cost:

Cum. Cost:

Mar 25, 2014 Tuesday (Day 12)

SITP 640#. Open to tank flowed back 10 BBL foamy scattered fluid. Rig up Swab. First Hour, made 3 runs, FL 1000'-6300', recovered 36 BBL water w/strong gas. Second Hour, made 3 runs, FL 6300'-SN 7728', Recovered 14 BBL, 2% oil, strong gas. Thrid Hour, Wait One Hour. Fourth Hour, make one run, tagged no fluid no fluid recovered.made one run per hour on 5-6-7-8 hour same results no fluid recovered.flowed and swab total 60 BBL. SDFN.

Daily Cost:

Cum. Cost:

Mar 26, 2014 Wednesday (Day 13)

SITP 160#. Bled of to tank quickly, no fluid recovered. Rig up Swab. Make two runs, FL 5800'- SN 1st run recovered 9 BBL 100% oil w/strong gas, second run, FL 7300', recovered 1 BBL 20% oil w/strong gas. Release packer, retrieve RBP. POH laying down workstring. SDFN.

Daily Cost:

Cum. Cost:

Mar 27, 2014 Thursday (Day 14)

SIP 0#. RIH w/ 2 3/8 Bull plugged mud anchor 9041', 2 3/8 x 4' perf sub, 2 3/8 seating nipple 9005', 36 joints 2 3/8 tubing, 2 3/8 x 4 1/2 tubing anchor 7782' and 252 joints 2 3/8 tubing. Set anchor w/14 points tension, nipple up wellhead. RIH w/3/4 x 10 gas anchor, 2" x 1 1/4 x 24' Pump, 1' x 1" lift sub, 188 - 3/4 rods, 171 - 7/8 rods. Shut down due to high winds, finish running rods tomorrow.

Daily Cost:

Cum. Cost:

Mar 28, 2014 Friday (Day 15)

SIP 0#. Finish RIH w/pump. Rod string as follows: 2" x 1 1/4" x 24' Pump w/3/4 x 10' gas anchor, 1' x 1" lift sub, 188 - 3/4 rods, 169 - 7/8 rods, 8' x 7/8 subs, 1 1/4 x 26' polish rod, 1 1/2 x 18' liner. Load tubing w/10 BBL, test 500#. RDMO.

Daily Cost:

Legacy Reserves
DAILY OPERATIONS REPORT - (All Days)

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Shugart A State Com # 1

Eddy Co., NM

Zone: Morrow, North (Gas) Field: Shugart

Cum. Cost:

Checking for fluid level

Apr 17, 2014 Thursday (Day 1)

MROH POOH with 1 Rod SDFN

Daily Cost:

Cum. Cost:

Apr 18, 2014 Friday (Day 2)

OWU, POOH with Rods and Pump. N U BOP and POOH with Tbg. SDFWE

Daily Cost:

Cum. Cost:

Apr 21, 2014 Monday (Day 3)

OWU RIH with tbg and started to swab. Tagged fluid at 56' below surface. Made 3 runs to 1200'. Fluid dropped 2' only SDFN

Daily Cost:

Cum. Cost:

Apr 22, 2014 Tuesday (Day 4)

OWU . Swabbed on well thru morning and swabbed 48 bbls of fluid. fluid, stayed about 7,500' above pump. RIH with Rods and Pump. Loaded well had good pump action RDMO

Daily Cost:

Cum. Cost: