

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 87401
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
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

JUN 27 2012

RECEIVED

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)		WELL API NO. 30-025-10622 ✓
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <u>INJECTION</u> ✓		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> ✓
2. Name of Operator LEGACY RESERVES OPERATING LP ✓		6. State Oil & Gas Lease No. 685270
3. Address of Operator P.O. BOX 10848 MIDLAND, TX 79702		7. Lease Name or Unit Agreement Name SKELLY PENROSE A UNIT ✓
4. Well Location Unit Letter <u>N</u> : <u>660</u> feet from the <u>SOUTH</u> line and <u>1980</u> feet from the <u>WEST</u> line Section <u>04</u> Township <u>23S</u> Range <u>37E</u> NMPM County <u>LEA</u>		8. Well Number <u>34</u> ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3300' GR		9. OGRID Number 240974 ✓
		10. Pool name or Wildcat Langlie Mattix; 7 Rvrs-Queen-Grayburg ✓

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☒
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: RETURN TO WATER INJECTION ☐

OTHER: ☐

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 P&A PROCEDURE----

The Oil Conservation Division Must be notified
24 hours prior to the beginning of plugging operations.

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 06/26/2012

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

For State Use Only

APPROVED BY [Signature] TITLE STATE MGR DATE 6-28-2012

Conditions of Approval (if any):

JUN 28 2012

PLUG AND ABANDONMENT PROCEDURE-PROPOSED

Skelly Penrose A Unit #34

Field/Pool: Langlie Mattix (7Rivers/Queen/Grayburg)
Lea Co., NM

Date: 6/26/2012

Engineer: Kent Williams

Company: Legacy Reserves Operating, LP

Purpose Of Procedure: Plug and abandon. Will perform turn-key PXA with approved vendor.

Pre-Job:

- Check location for required dirtwork and clearing of mesquite to accommodate equipment
- Test pulling unit anchors if necessary

Procedure:

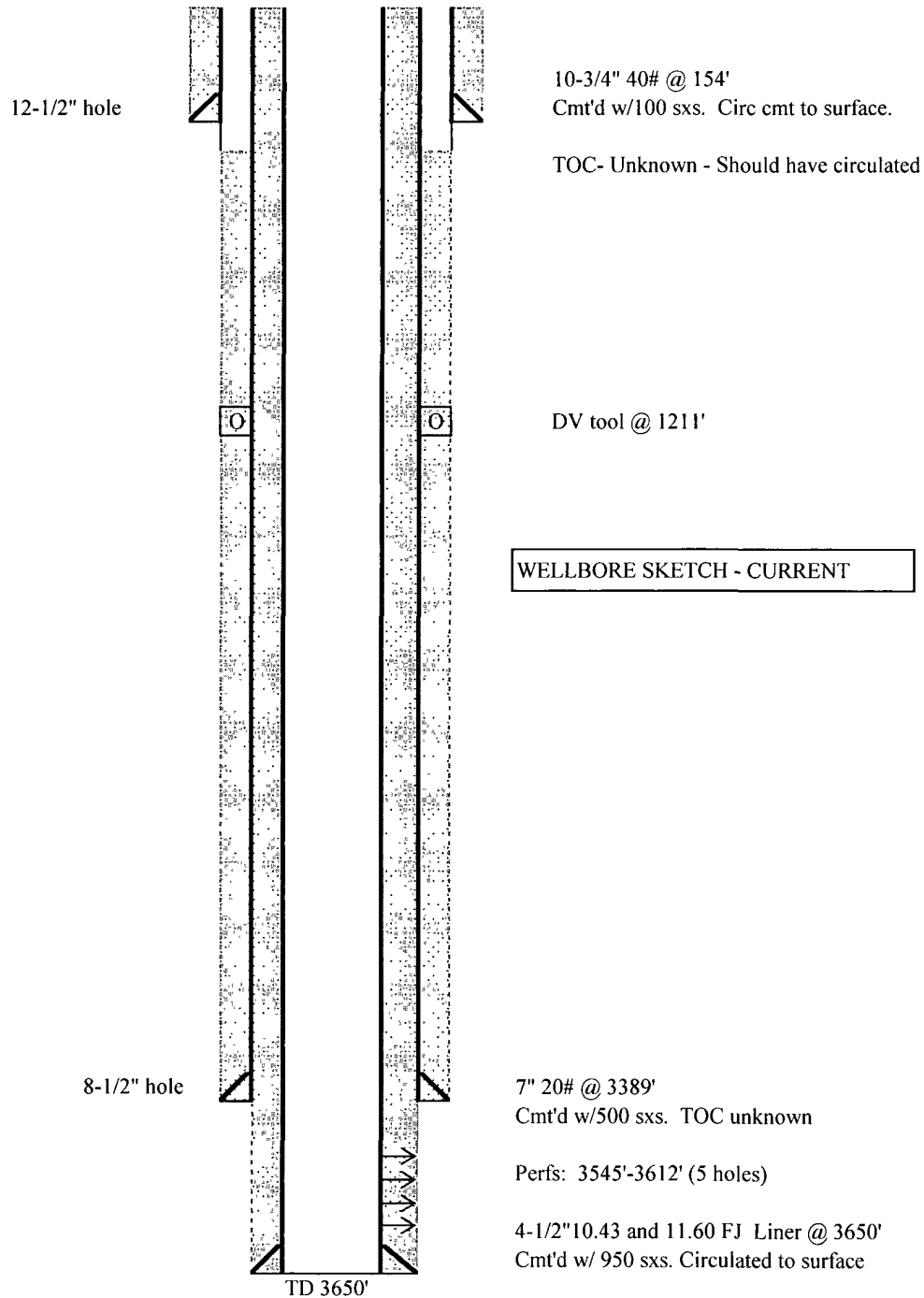
1. MIRU plugging company. NU 2000# minimum rated BOP. POOH w/ tbg & pkr.
2. Plug #1 (Perforation Plug) RIH w/ tbg tallying in hole. Set 4 ½" CIBP @ 3500'. Spot 30 sxs Class C cmt from 3500'-3132' (368'). WOC. Tag plug. Plug length must be 130' minimum length..
3. RIH w/ tbg to TOC at 3132' (+/-). Circulate the casing w/ 9.5 PPG salt gel mud fluid. Csg Volume = 50 bbls
4. Plug #2 (Base of Salt Plug) Spot 25 sxs Class C cmt from 2500'-2132' (368'). WOC. No tag of plug required.
5. Plug #3 (Casing Shoe and Top of Salt Plug) Spot 25 sxs Class C cmt from 1300'-932' (368'). WOC. Tag plug. Plug length must be 110' minimum length.
6. Plug #4 (Surface Plug) Perf 4 ½" csg at 165'. Circulate 47 sxs Class C cmt to surface. Top off cmt at surface to fillup csg as necessary.
7. Cut off well head. Weld on dry hole marker. Backfill cellar as necessary. Clean location. RDMO.

Note:

- Use Class "C" Neat Cement , 1.32 ft3/sx cmt yield
- Use 9.5 PPG mud laden fluid (25 sxs @ 50 # gel/sx in 100 bbls brine).
- Notify NMOCD 24 hrs. prior to commencing operation. NMOCD-Hobbs (575-393-6161)

WELLBORE SCHEMATIC

Well Name & No.:	Skelly Penrose A Unit # 34		
Field:	Langlie Mattix (7Rivers/Queen/Grayburg)		
Location:	660' F S L x 1980' F W L, Sec. 4, Unit Letter N, T-23-S, R-37-E		
County:	Lea	State:	NM API #: 30-025-10622
GR Elev:		Spud Date:	04/06/37
KB:		Original Operator:	Skelly Oil Comp.
KB Elev:	3308.0	Original Lease Name:	R. R. Sims # 4



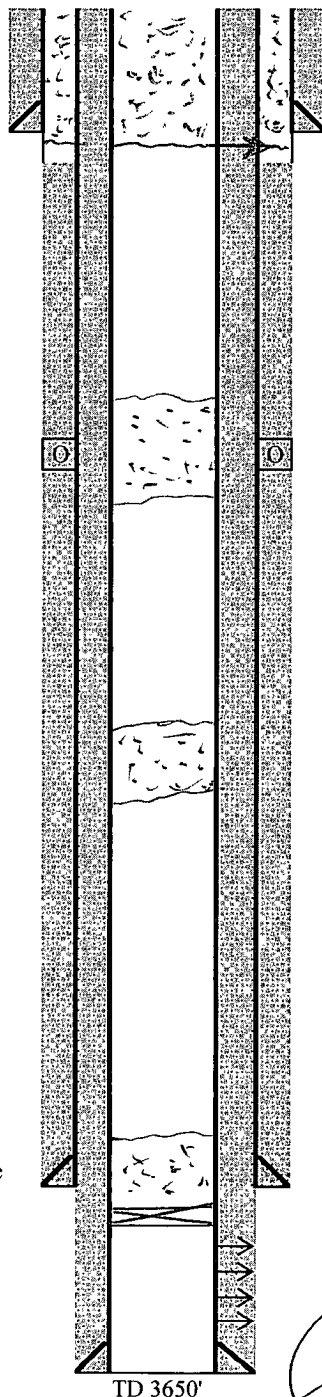
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County:	Lea	State:	NM API #: 30-025-10622
GR Elev:		Spud Date:	04/06/37
KB:		Original Operator:	Skelly Oil Comp.
KB Elev:	3308.0	Original Lease Name:	R. R. Sims # 4

Plug #4 0-165 (165')

Perf @ 165'

Sgs. 47 sxs. cmt. 12-1/2" hole



10-3/4" 40# @ 154'

Cmt'd w/100 sxs. Circ cmt to surface.

TOC- Unknown - Should have circulated

Plug #3 932'-1300 (368')

Spot 25 sxs. Tag plug.

DV tool @ 1211'

WELLBORE SKETCH - PROPOSED PXA

Plug #2 2132'-2500 (369')

Spot 25 sxs cmt. No tag.

Plug #1 3132'-3500' (369')

✓ Set CIBP @ 3500'

Spot 25 sxs. cmt.

Tag plug.

8-1/2" hole

7" 20# @ 3389'

Cmt'd w/500 sxs. TOC unknown

Perfs: 3545'-3612" (5 holes)

4 - 1/2" 10.43 and 11.60 FJ Liner @ 3650'

Cmt'd w/ 950 sxs. Circulated to surface

TD 3650'