

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD HOBBS

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.

OCT 10 2012

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1 Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other SWD		5 Lease Serial No. NM63763
2 Name of Operator LEGACY RESERVES OPERATING LP		6 If Indian, Allottee or Tribe Name
3a Address PO BOX 10848 MIDLAND, TX 79702	3b Phone No. (include area code) 432-689-5200	7 If Unit of CA/Agreement, Name and/or No. SAPPHIRE FEDERAL UNIT
4 Location of Well (Footage, Sec, T., R., M., or Survey Description) 1600' FSL & 1750' FEL, UNIT LETTER J, SEC 23, T19S, R33E		8 Well Name and No. SAPPHIRE FEDERAL UNIT #1
		9 API Well No. 30-025-31491
		10. Field and Pool or Exploratory Area SWD; QUEEN
		11. County or Parish, State LEA COUNTY, NM

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

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 checked="" type="checkbox"/> Other REPAIR HOLE IN
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	5 1/2" CASING
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recompleat 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 recompleat 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.)

RU TO REPAIR CSG. LEAK:

MAY 29, 2012 - MIRU LUCKY WELL SERVICE.
MAY 30, 2012 - INSTALL BOP, RELEASE PACKER AND POH W/PLASTIC COATED TUBING.
MAY 31, 2012 - RIH W/RBP AND PACKER. SET RBP AT 4304'. LOCATE HOLE IN CASING AT 545' TO 609'. INJECT IN HOLE AT 1 BPM AT 400#, NO RETURNS ON SURFACE CASING.
JUNE 1, 2012 - POH W/PACKER.
JUNE 4, 2012 - RIH W/5 1/2 CIBP, SET AT 4304'.
JUNE 5, 2012 - RIH W/PACKER, SET PACKER AND TEST RBP AT 4304 TO 2000#.
JUNE 6, 2012 - RIH W/RETAINER, SET AT 510', RIG UP CEMENT SPECIALISTS. PUMP 600 SX CLASS C IN HOLE AT 549'-609'. SHUT IN W/600#.
JUNE 8, 2012 - MIRU LUCKY REVERSE UNIT. RIH AND TAG CEMENT AT 507', DRILL ON CEMENT RETAINER AT 510'.
JUNE 11, 2012 - FALL OUT CEMENT AT 613'. TEST CASING TO 500#, LOST 70# IN 10 MIN.
JUNE 12, 2012 - RIH TO 720', CIRCULATE HOLE CLEAN. TEST CASING TO 550#, LOST 125# IN 30 MIN. ATTEMPT INJECTION RATE DOWN 8 5/8 CASING, HAD IMMEDIATE LEAK OUTSIDE 8 5/8 CASING. ESTABLISH INJECTION RATE DOWN 5 1/2 AT 600#.
JUNE 14, 2012 - RDMO. WILL RETURN TO REPAIR

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

BERRY JOHNSON

Title OPERATIONS SUPERINTENDENT

Signature

Berry Johnson

Date 09/19/2012

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

OCT 7 2012

Office

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.

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)

OCT 15 2012