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Form 3160-5 UNITED STATES (March 2012) DEPARTMENT OF THE INTERI			OR HOBBS OCD		FORM APPROVED OMB No. 1004-0137 Expires: October 31, 2014			
BUREAU OF LAND MANAGEMENT SUNDRY NOTICES AND REPORTS ON WELL'SL 1 1 2013					5. Lease Serial No. NM96248			
Do not use this f	IOTICES AND REPC form for proposals to Use Form 3160-3 (A	o drill or to	re-enter al	n	6. If Indian, Allottee	or Tribe Name		
	T IN TRIPLICATE – Other		5 K - 5-17 See		7. If Unit of CA/Agr	eement, Name and/or No.		
1. Type of Well		/		· · · · ·		/		
Oil Well 🔽 Gas Well 🗌 Other					8. Well Name and No. BARNES FEDERAL #1			
2. Name of Operator LEGACY RESERVES OPERATING LP					9. API Well No. 30-025-21759			
3a. Address         3b. Phor           PO BOX 10848         MIDLAND, TX 79702           432-			(include area co 200	ode)	10. Field and Pool or Exploratory Area BOUGH; SAN ANDRES (GAS)			
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)					11. County or Parish			
330' FNL & 1650' FEL, UNIT LETTER B, SEC 2	/			<u>.</u>	LEA CO., NM			
12. CHEC	CK THE APPROPRIATE BO	X(ES) TO INDI	CATE NATUR	E OF NOTIO	CE, REPORT OR OTI	HER DATĂ		
TYPE OF SUBMISSION TYPE OF A								
Notice of Intent			· —		uction (Start/Resume)	Water Shut-Off		
			w Construction		mplete	Other ADD SA	N ANDRES	
Subsequent Report	Change Plans	🔲 Plug a	nd Abandon	Temp	porarily Abandon	PERFS, FF		
Final Abandonment Notice	Convert to Injection	Plug I	lack	Wate	r Disposal	STIMULAT	E & RTP	
following completion of the involv testing has been completed. Final determined that the site is ready fo	Abandonment Notices must t r final inspection.)	be filed only afte	r all requiremen	ats, including	reclamation, have bee	en completed and the oper	rator has	
all future Procedure in this attended Pro	sundries neg sbox (BDX preolune;)	uire of 13), (	perata Sperai	to su tor co	mmarizet in notju	he attache st write «	isee	
FRAC REPORT HAS TO BE FILED ELECTORONIC ON E-PERMITTING FOUND ON OCD WEB PAGE http://www.emnrd.state.nm.us/ocd/			SEE ATTACHED FOR CONDITIONS OF APPROVAL					
BLAIN LEWIS	BLAIN LEWIS							
$Q_{Q-1,Q}$								
Signature Kaunt Jours			Date 06/11/2013		APPROVED			
	THIS SPACE	FOR FEDE	RAL OR ST	ATE OF				
Approved by					Δ	JUL 10 2013		
Conditions of approval, if any, are attached	d Approval of this notice does	not warrant or o	Title			Date		
that the applicant holds legal or equitable t entitle the applicant to conduct operations	title to those rights in the subject thereon.	ct lease which wo	uld Office	K		AU OF LAND MANAGE		
Title 18 U.S.C. Section 1001 and Title 43 fictitious or fraudulent statements or repre-				and willfully t	o make to any departme	ent or agency of the United	States any false,	
(Instructions on page 2)					SEP 1	<b>9</b> 201 <b>3</b>	<u> </u>	

## PROCEDURE TO ADD SAN ANDRES PERFS, FRAC STIMULATE AND RETURN TO PRODUCTION Barnes Federal #1 Bough; San Andres Field Lea County, New Mexico

 Well Data:
 KB 11' AGL

 8-5/8", 24 & 32#, H-40 & J-55 casing at 4910' with 2,775 sx to surface

 San Andres perfs: 4760'-4800', 40 holes (7/02)

 CIBP at 4887' capped with 35' cement (PBTD 4852')

 5-1/2", 17#, J-55 & N-80 casing cut off at 4950'

 Various cement plugs 8450'-12,060' and former Bough "C" perfs 9600'-9616'

 Volumes:
 8-5/8" csg x 3-1/2" tbg annulus = 0.0504 bbls/ft

 8-5/8" csg = 0.0623 bbls/ft

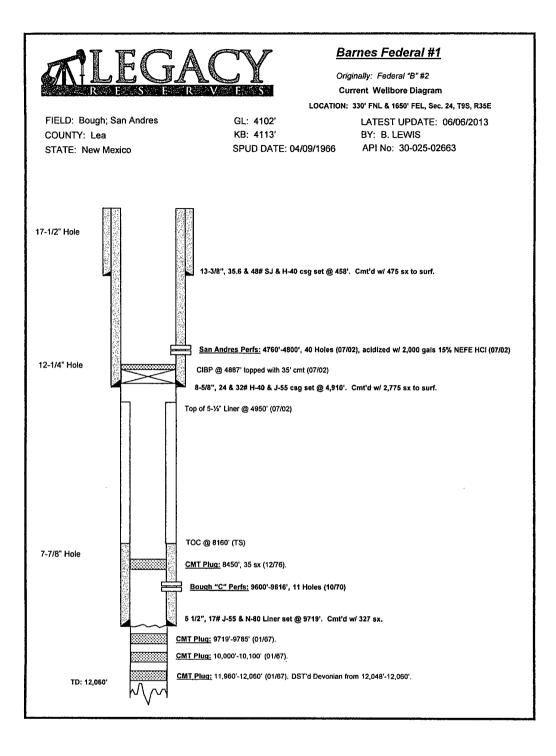
 3-1/2" tbg = 0.0087 bbls/ft

- Day one: MI & RU pulling unit. NU BOP. Unload work string of 5,000' 3-1/2" J-55 tubing and 4,700' new or yellow-band 2-3/8", 4.7#, J-55, EUE, 8rd tubing.
- 2) Day two: RIH with 7-7/8" bit, casing scraper and 3-1/2" work string to bottom at +/- 4852'. POH and lay down casing scraper and bit. MIRU wireline unit with packoff. RIH with 3-1/8" slick gun, tag bottom to get on depth, correlate to 8/6/02 Schlumberger GR/CCL log depths and perf upper San Andres with 1 SPF, premium charges from 4708'-4760' (52', 53 holes). POH and RDMO wireline unit.
- 3) Day three: RIH with 8-5/8" 5K packer and 3-1/2" work string to +/- 4600'. Set 3 clean frac tanks and fill with 2% KCl water. RU pump truck to clean frac tank loaded with 2% KCl water. Circulate hole with 2% KCl water (272 bbls). Set packer at +/- 4600'. Test casing annulus to 500 psig for 5 min.
- 4) Day four: MIRU frac equipment to frac San Andres 4708'-4800' (93 holes) at +/- 25 BPM and 5,000 psig maximum pressure down 3-1/2" tubing. Pressure casing annulus to 500 psig and monitor throughout frac. Frac will be 40,000# 16/30 Permian Ottawa sand and 10,000# resin-coated 16/30 Permian Ottawa sand to 4 ppg maximum sand concentration in +/- 30,000 gallons (714 bbls) 20# XL gelled water and +/- 47 bbls flush. RDMO frac equipment and SI overnight.
- 5) Days five-six: Flow down until dead. Release packer and POH. RIH with notched collar and bailer on work string. Clean out sand to +/- 4850' and POH. LD work string and bailer. RIH with BPMA, perf sub, SN, 4 jts 2-3/8" tubing, TAC and remainder of 2-3/8" production tubing to set BPMA at +/- 4700', SN at +/- 4665' and TAC at +/- 4540'. RIH with 1-1/4" pump and new 7/8"-3/4" rod string. Lay flowline to battery. Hang on 114 pumping unit, load and test tubing, check pump action and RDMO pulling unit.

## PREPARED BY: Blain Lewis Date: 06/07/13

ESTIMATED COSTS:

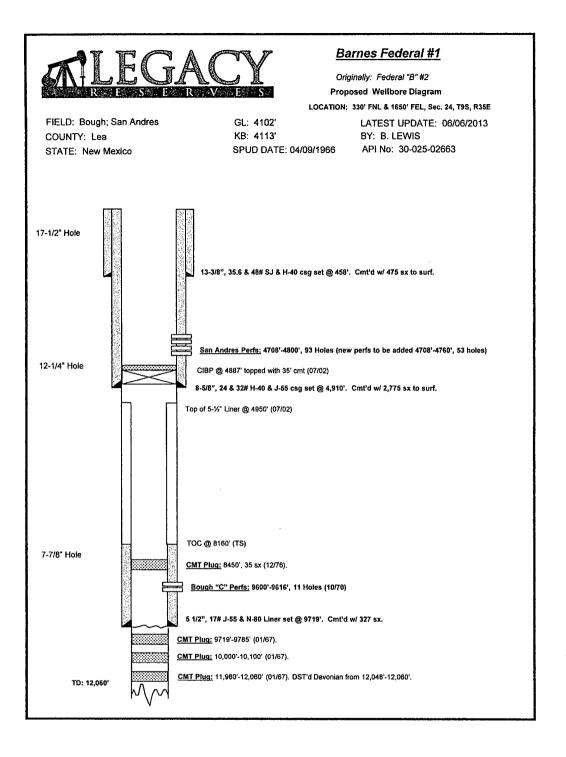
Pulling unit - 6 days	\$ 30.000
Wireline services	\$ 10,000
Stimulation services	\$ 50,000
Rental tools	\$ 20,000
Contract labor	\$ 20,000
Overhead	\$ 2,000
Tubing/rods	\$ 30,000
5% contingencies	\$ 6,600
TOTAL	\$168,600



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## **Conditions of Approval**

## Legacy Reserves Operating LP Barnes Federal 1 API 30-025-21759 July 10, 2013

Work to be completed by August 10, 2013.

1. Tag cement on top of CIBP located at 4,887'. If tag is lower than 4,852' contact BLM.

- 2. Must conduct a casing integrity test before any perforating or fracturing can be done. <u>Submit results to BLM.</u> The CIT is to be performed on the production casing to max <u>frac treating pressure.</u>
- 3. If the CIT passes, work is approved as written.
- 4. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.
- 5. Surface disturbance beyond the originally approved pad must have prior approval.
- 6. Closed loop system required.
- 7. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
- 8. Operator to have H2S monitoring equipment on location.
- 9. A minimum of a 2000 (2M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
- 10. Subsequent sundry required detailing work done. Operator to include well bore schematic of current well condition when work is complete.

**JAM 070913**