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 District I - (575) 393-6161
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 1000 Rio Brazos Rd., Aztec, NM 87410
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HOBBS OCD State of New Mexico
 Energy, Minerals and Natural Resources
OCT 31 2013
RECEIVED
 OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-103
 Revised August 1, 2011

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.)		WELLS API NO. 30-025-34019 ✓
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>		
6. State Oil & Gas Lease No.		
7. Lease Name or Unit Agreement Name SKELLY PENROSE A UNIT ✓		
8. Well Number 89 ✓		
9. OGRID Number 240974 ✓		
10. Pool name or Wildcat Langlie Mattix; 7 Rvrs-Queen-Grayburg		
4. Well Location Unit Letter <u>I</u> : <u>2300</u> feet from the <u>SOUTH</u> line and <u>1250</u> feet from the <u>EAST</u> line Section <u>3</u> Township <u>23S</u> Range <u>37E</u> NMPM County <u>LEA</u>		
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3298' GR		

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input 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"/>		SUBSEQUENT REPORT OF: 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"/>		OTHER: ACIDIZE AND RTP <input checked="" 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.

---SEE ATTACHED PROCEDURE---

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 08/20/2013

Type or print name KENT WILLIAMS E-mail address: kwilliams@legacylp.com PHONE: 432-689-5200

For State Use Only
 APPROVED BY [Signature] TITLE DIST. MGR DATE 10-31-2013
 Conditions of Approval (if any):

OCT 31 2013 *dm*

Legacy Reserves
DAILY OPERATIONS REPORT

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Skelly Penrose A Unit # 89

Lea Co., NM

Zone: SEVEN RIVERS / QUEEN

Field: LANGLIE-MATTIX

SUMMARY : RTP. Acidize w/ 5000 gal 15% NEFE HCL, 2500 gal GB and 5000# RS. Plan to install pumping unit and put on rod pump in next few days.

Jul 3, 2013 Wednesday (Day 1)

MIRU Lucky pulling unit, MIRU Lucky reverse unit, set pipe racks and rack 2 7/8" workstring, strap workstring. Test csg to 500 psi. Nipple down the well head and nipple up the BOP. RIH with new 4 3/4" bit, 6-3 1/2" collars and workstring, tagged at 3,450' with 101 joints in. SDFN.

Jul 8, 2013 Monday (Day 2)

Pick up swivel and start drilling cement at 3,459' down to the cast iron bridge plug at 3,500' continued drilling fell through the plug at 3,502', went to PBTD at 3,742'. POH with 2 7/8" workstring, lay down the collars. SDFN.

Jul 9, 2013 Tuesday (Day 3)

RIH with 5 1/2" x 2 7/8" 10-k AS1X packer testing the 2 7/8" workstring in the hole to 6,000 psi. Circulated 80 BBLS of 2% KCL water, set the packer at 3,458' with 106 joints in the hole. Tested the annulus to 500 psi. Bled off the

Jul 10, 2013 Wednesday (Day 4)

RDMO Lucky pulling unit. Will acidize in next few days.

Jul 15, 2013 Monday (Day 5)

MIRU Lucky pulling unit, MIRU vacuum truck. Release the packer and left it swinging above the perms. SDFN.

Jul 16, 2013 Tuesday (Day 6)

RU Rising Star Acidizing. Test lines to 5500#. Load hole with 2% KCL water and establish circulation. Spot 3 bbls 15% NEFE HCL. Flush down tbg with 30.3 bbls water. Reverse out 3 bbls to get acid back into tbg. Set pkr. Test csg to 670#. Test lines to 5500#. Start pumping on water at 3 BPM and formation broke at 1590#. Acidize with total of 5000 gal 15% NEFE HCL, 2500 gal gelled brine and 5000 # rock salt total in 3 acid stages and 2 block stages at 6 BPM ave treating rate and 2235# ave treating pressure. Treating pressure ranged from 2000# to 3300# during job. Pumped acid in 3 stages of 2500 gal in stage 1, 1500 gal in stage 2 and 1000 gal in stage 3. Dropped 3000# RS in 1st block stage and 2000# in 2nd block stage. Witnessed block action after block stage #1 hit formation as pressure rose from 2000# to 3300#. Flush tbg with 76 bbls 2% KCL wtr. ISIP-2060#, 5 min-1720#, 10 min-1660#, 15 min-1550#. RDMO. SDFN.

Jul 17, 2013 Wednesday (Day 7)

TP 100 psi on the tubing, bled the pressure down to the frac tank. Released the packer and POH laying down the 2 7/8" workstring. Started in the hole with the 2 3/8" production tubing, ran 2 3/8" bull plug, 2 3/8" J-55 mud anchor, 4' x 2 3/8" perforated sub, 2 3/8" seat nipple, 6 joints 2 3/8 J-55 tubing, 5 1/2" x 2 3/8" tubing anchor, 108 joints 2 3/8" J-55 tubing. SDFN.

Jul 18, 2013 Thursday (Day 8)

Ran the rest of the production tubing in the hole, the production string is as follows: bull plug at 3,662', mud anchor, perforated sub, seating nipple at 3,627', 6 joints J-55 2 3/8" tubing, tubing anchor at 3,437', 109 joints 2 3/8" J-55 tubing. Nipple down the BOP and set the tubing anchor. RIH with the rod string as follows: 12' x 1" gas anchor, 2" x 1 1/2" x 16' pump, 5-1 1/2" Kbars, 136-7/8" KD rods. SDFN.

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DAILY OPERATIONS REPORT
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Skelly Penrose A Unit # 89

Jul 19, 2013 Friday (Day 9)

Finished running the rods, loaded the tubing with 1 BBLS of 2% KCL water and tested to 500#. SDFN

Jul 22, 2013 Monday (Day 10)

Rig down the pulling unit. SDFN.

Note: Waiting on production dept to move pumping unit to location from another SPAU well and hang well.