

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 87410
 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 July 18, 2013

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

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. 30-005-00923 ✓
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other INJECTION <input checked="" type="checkbox"/> HOBBS OCD		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator LEGACY RESERVES OPERATING LP ✓		6. State Oil & Gas Lease No.
3. Address of Operator PO BOX 10848, MIDLAND, TX 79702		7. Lease Name or Unit Agreement Name DRICKEY QUEEN SAND UNIT ✓
4. Well Location Unit Letter <u>B</u> : <u>660</u> feet from the <u>NORTH</u> line and <u>1980</u> feet from the <u>EAST</u> line Section <u>35</u> Township <u>13S</u> Range <u>31E</u> NMPM County <u>CHAVES</u>		8. Well Number <u>2</u> ✓ 9. OGRID Number 240974
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		10. Pool name or Wildcat CAPROCK; QUEEN

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 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 type="checkbox"/>			
OTHER: STEP RATE TEST <input checked="" 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.

---SEE ATTACHED---

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 Laura Pina TITLE REGULATORY TECH DATE 07/29/2014

Type or print name LAURA PINA E-mail address: lpina@legacylp.com PHONE: 432-689-5200

For State Use Only

APPROVED BY: Markus Brown TITLE Dist. Supervisor DATE 8/4/2014
 Conditions of Approval (if any)

AUG 04 2014

Handwritten signature

Step rate test

1. Shut well in a minimum of 48 hours prior to test. If the well is injecting CO₂, switch to water a minimum of 2 weeks prior to the test.
2. RIH with pressure tool to top of perforations or end of casing in an open hole completion.
3. Record static surface pressure and bottom hole pressure.
4. Begin injection at 50-150 BWPD. Continue for 15-30 minutes until surface injection pressure gain stabilizes.
5. Increase injection rate by a 50-150 BWPD and maintain rate until pressure gain is 1 psi per minute or less. This increase in rate will be used for each step throughout the test. The amount of time is the step length that will be used for the remainder of the test.
6. Continue making steps at the same rate increase as number 5. above recording the surface pressure and bottom hole pressure at the end of the step.
7. Plot/graph the bottom hole pressure recorded as a function of the rate for each step. Ideally, a plot of two straight lines will be developed where the second straight line has a lower slope than the first. The test is complete when 3 points connect on the second, higher-rate straight line. The intersection of these two lines represents the bottom hole fracture pressure of the well.