

Submit 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

WELL API NO. 30-025-10607
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 27
9. OGRID Number 240974
10. Pool name or Wildcat LANGLIE MATTIX; 7RVRS-Q-GRYBG

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.)

1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>
2. Name of Operator LEGACY RESERVES OPERATING LP
3. Address of Operator PO BOX 10848, MIDLAND, TX. 79702
4. Well Location Unit Letter <u>K</u> : <u>1980</u> feet from the <u>SOUTH</u> line and <u>1980</u> feet from the <u>WEST</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 ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☒ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐  
CLOSED-LOOP SYSTEM ☐  
OTHER: ☐

SUBSEQUENT REPORT OF:

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

Legacy Reserves request a 1-year TA extension to the current 5-year TA status previously obtained by the prior operator, Cimarex Energy. This prior 5-year TA status expires 9/30/2015.

Legacy's intent is to convert this well to water injection in the near future when oil prices improve and we are able to permit this well for water injection. We will likely run a 4 1/2" liner from surface to TD to provide improved casing integrity and improved injection control within the Queen (Penrose Sand) pay interval. This location is in the best pay area of our waterflood and will allow us to pilot 40-acre 5-spot, 20 acre well spacing within this unit.

Presently, there is a 7" CIBP at 3360' with a 25 sxs of cement cap above the open-hole completion interval 3420'-3600' (Penrose Sand). We will perform a MIT pressure test on the casing above the CIBP at 500# for 30 minutes to verify the 7" casing still has mechanical integrity following your approval of this TA extension.

Condition of Approval: notify

Spud Date:

Rig Release Date:

OCD Hobbs office 24 hours

prior of running MIT Test & Chart

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 08/27/2015

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

For State Use Only

APPROVED BY: Mary Brown TITLE Dist Supervisor DATE 9/1/2015

Conditions of Approval (if any):

NO PROD REPORTED - 74 MONTHS

SEP 02 2015

## WELLBORE SCHEMATIC

Well Name & No.:	Skelly Penrose A Unit # 27			
Field:	Langlie Mattix (7Rivers/Queen/Grayburg)			
Location:	1980' F S L x 1980' F W L, Sec. 3, Unit Letter K,T-23-S, R-37-E			
County:	Lea	State:	NM	API #: 30-025-10607
GR Elev:	3298.0	Spud Date:	11/04/36	
KB:	8.0	Original Operator:	Skelly Oil Comp.	
KB Elev:	3306.0	Original Lease Name:	R. R. Sims # 2	

