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

HOBBS OCD
SEP 10 2015
RECEIVED

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
Revised July 18, 2013

WELL API NO. 30-025-36221

5. Indicate Type of Lease STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name: DIAMOND

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

8. Well Number 3

2. Name of Operator: LEGACY RESERVES OPERATING LP

9. OGRID Number: 240974

3. Address of Operator: PO BOX 10848, MIDLAND, TX 79702

10. Pool name or Wildcat: NADINE;SAN ANDRES, DRKD, ABO

4. Well Location
Unit Letter D : 990 feet from the NORTH line and 760 feet from the WEST line
Section 24 Township 19S Range 38E NMPM County LEA

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
3599' GL

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:	☐		

E-PERMITTING <SWD____INJECTION>
CONVERSION____ RBDMS_____
RETURN TO_____ TA_____
CSNG_____ ENVIRO_____ CHG LOC_____
INT TO PA_____ P&A NR____ P&A R_____
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.

SEE ATTACHED P&A PROCEDURE ALONG WITH CURRENT AND PROPOSED WELLBORE DIAGRAMS.

The Oil Conservation Division MUST BE NOTIFIED 24 Hours Prior to the beginning of operations

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 09/04/2015

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

For State Use Only

APPROVED BY: Mahy G Brown TITLE Dist. Supervisor DATE 9/14/2015

Conditions of Approval (if any):

SEP 15 2015

PLUG AND ABANDONMENT PROCEDURE-PROPOSED

Diamond #3
Field/Pool: Nadine Field (San Andres, Drinkard, Abo)
Lea Co., NM
API: 30-025-36221

Date: 9/3/15
Engineer: Kent Williams
Company: Legacy Reserves Operating, LP

Purpose Of Procedure: Plug and abandon. PXA Plug #1 has already been set during unsuccessful attempt to TA the well due to a csg leak found during attempt to load the hole and pressure test. Well circulated to surface outside 8 5/8" surface casing with 15 bbls of load water in csg. We are now electing to PXA the well.

Procedure:

1. MIRU plugging company. NU 2000# minimum rated BOP.

2. RIH w/ tubing and tag top of cement at +/- 4050' (15' KB). Tag plug. Circulate hole w/ 78 bbls of 9.5 PPG mud laden fluid. Spot 25 sxs of additional cement on plug if PBTD found below 4015 '.
   (Note: Plug #1 was set on 9/2/15 in a TA attempt. A 5 ½" CIBP was set at 4050' w/ 40' cmt on top to 4010'. The well did not pass a 500# pressure test and we are now electing to PXA this well). * IDENTIFY LEAK IN CSG / DEPTH BEFORE PROCEEDING.

3. Plug #2 (Casing Plug) Spot 25 sxs (250') Class C cmt from 2900'-2650'. No tag required.

4. Plug #3 (Casing Shoe Plug) Spot 25 sxs (250') Class C cmt from 1820'-1570'. WOC. Tag plug.

5. RIH w/ pkr and tbg. Set pkr at 250' . Pressure test casing above and below pkr. Move pkr and pressure test to locate csg leak. POH w/ pkr and tbg.
   (Note: Anticipate leak from 0'-467' based on 15 bbls of water pumped into casing prior to seeing circulation to surface) *

6. Plug #4 (Surface Plug). Pump and circulate Class C cmt down 5 ½" csg, thru csg leak and back to surface outside 8 5/8" surface casing as necessary.

7. POH. Top off cmt to surface to fillup csg as necessary.

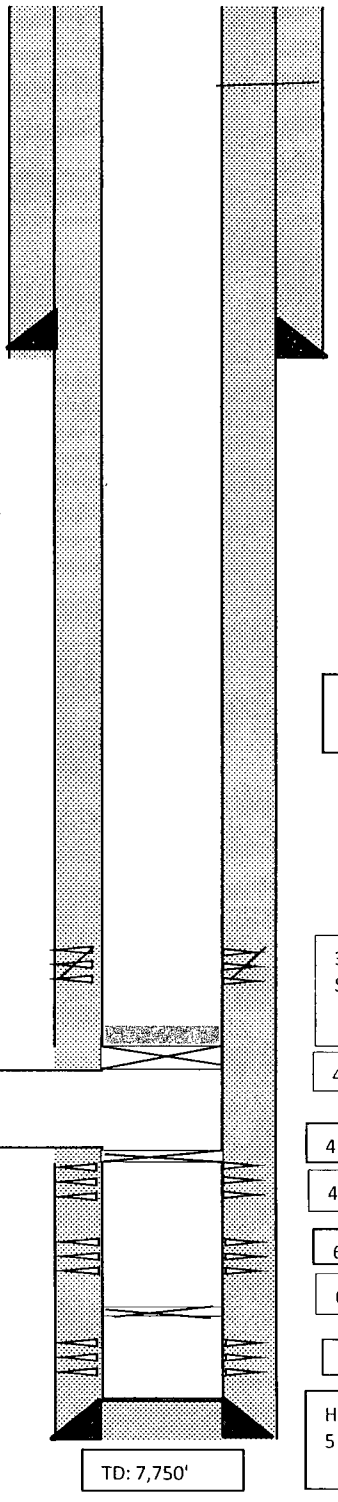
8. Cut off well head. Weld on dry hole marker. Backfill cellar. Clean location. RDMO.

Note:
-Use Class "C" HSR Neat Cement , 1.32 ft3/sx cmt yield
-Use 9.5 PPG mud laden fluid (25 sxs @ 50 # gel/sx in 100 bbls brine).
-Notify NMOCD in Hobbs Office (575-393-6161) 24 hrs. prior to commencing operation.

LEGACY RESERVES

Diamond No. 3 Wellbore Diagram

Lease & Well No: Diamond No. 3
Field: Nadine (San Andres, Drinkard, Abo)
County, State: Lea County, NM
API #: 30-025-36221
Footage Origin: 990' FNL & 760' FWL
Section, Twn, Rng: 24, 19S, 38E
Ground Level Elevation: 3,599'
Kelly Bushing: 3,614' (15' KB)
Spud Date: 3/18/03- Trilogy Operating



0-647' gross interval. Casing leak identified during TA attempt. Exact location not pinpointed.

Hole Size: 12 1/4"
8 5/8", 24# , J-55 @1720'
Cmt w/ 850 sxs. TOC surface

Current WB Sketch

Hole Size: 4 3/4"
Drilled from 4140' TVD - 5824' TMD.
Open-hole completion.

3428'-3444'- 7 Rivers-Cmt Sqz -3/2004

4050'-CIBP w/ 40' (4 sxs cmt) to 4010'

4140' - Whipstock

4302'-4310' - San Andres

6991' -7,064' - Drinkard

6000' - CIBP

7386'-7558' - Abo

Set 5 1/2" Whiipstock at 4140'-49' TVD and TMD .
Cut 4. 3/4" window inside 5 1/2 " casing. and drill 4 3/4" hole to TD.
End of curve - 4300' TVD, 4396' TMD. End of Horizontal - 4307' TVD, 5824' TMD
Pay Section Lateral Length -1181' TMD.
Total Lateral Length - 1408' TMD

Hole Size: 7 7/8"
5 1/2", 17# & 20#, N-80 @ 7750'

TD: 7,750'

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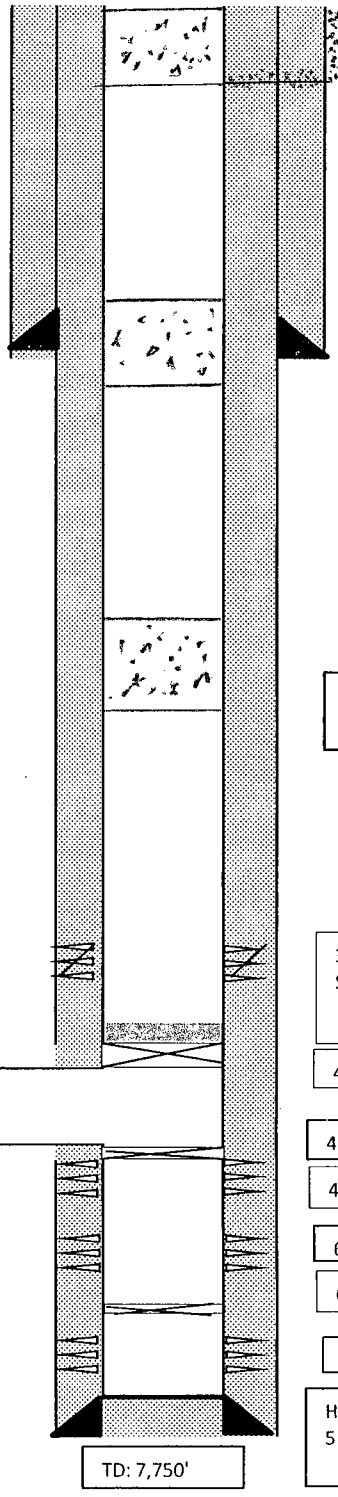

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Proposed PXA Skematic

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