

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMNM10189

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
J H MCCLURE B COI 22 ✓

9. API Well No.
30-025-27176 ✓

10. Field and Pool, or Exploratory SWD; QUEEN

11. County or Parish, and State
LEA COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

HOBBS OCD
NOV 02 2015
RECEIVED

1. Type of Well
 Oil Well Gas Well Other: UNKNOWN OTH

2. Name of Operator
LEGACY RESERVES OPERATING LRE-Mail: kwilliams@legacylp.com
Contact: KENT WILLIAMS

3a. Address
PO BOX 10848
MIDLAND, TX 79702

3b. Phone No. (include area code)
Ph: 432-689-5200 Ext: 5218

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 19 T24S R38E NESE 1650FSL 660FEL

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Other
	<input type="checkbox"/> Plug and Abandon
	<input checked="" type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Legacy Reserves request a 1-year TA status for the subject shut-in SWD well. Our intent is to market and divest the subject shut-in well and the lease by the end of 2015. We plan on wireline setting a 5 1/2" CIBP at 3740' with a 40' (4 sxs) of cement cap using wireline dump bailer. This will isolate the existing Queen SWD interval 3789'-3858' and abandon the zone. We will perform a MIT pressure test on the casing above the CIBP at 500# for 30 minutes and circulate the casing with packer fluid following your TA approval.

**WITNESS
PLUG BACK**

**SUBJECT TO LIKE
APPROVAL BY STATE**

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #314711 verified by the BLM Well Information System
For LEGACY RESERVES OPERATING LP, sent to the Hobbs
Committed to AFMSS for processing by LINDA JIMENEZ on 08/31/2015 ()

Name (Printed/Typed) KENT WILLIAMS Title SENIOR ENGINEER

Signature (Electronic Submission) Date 08/28/2015

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date OCT 14 2015

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office _____

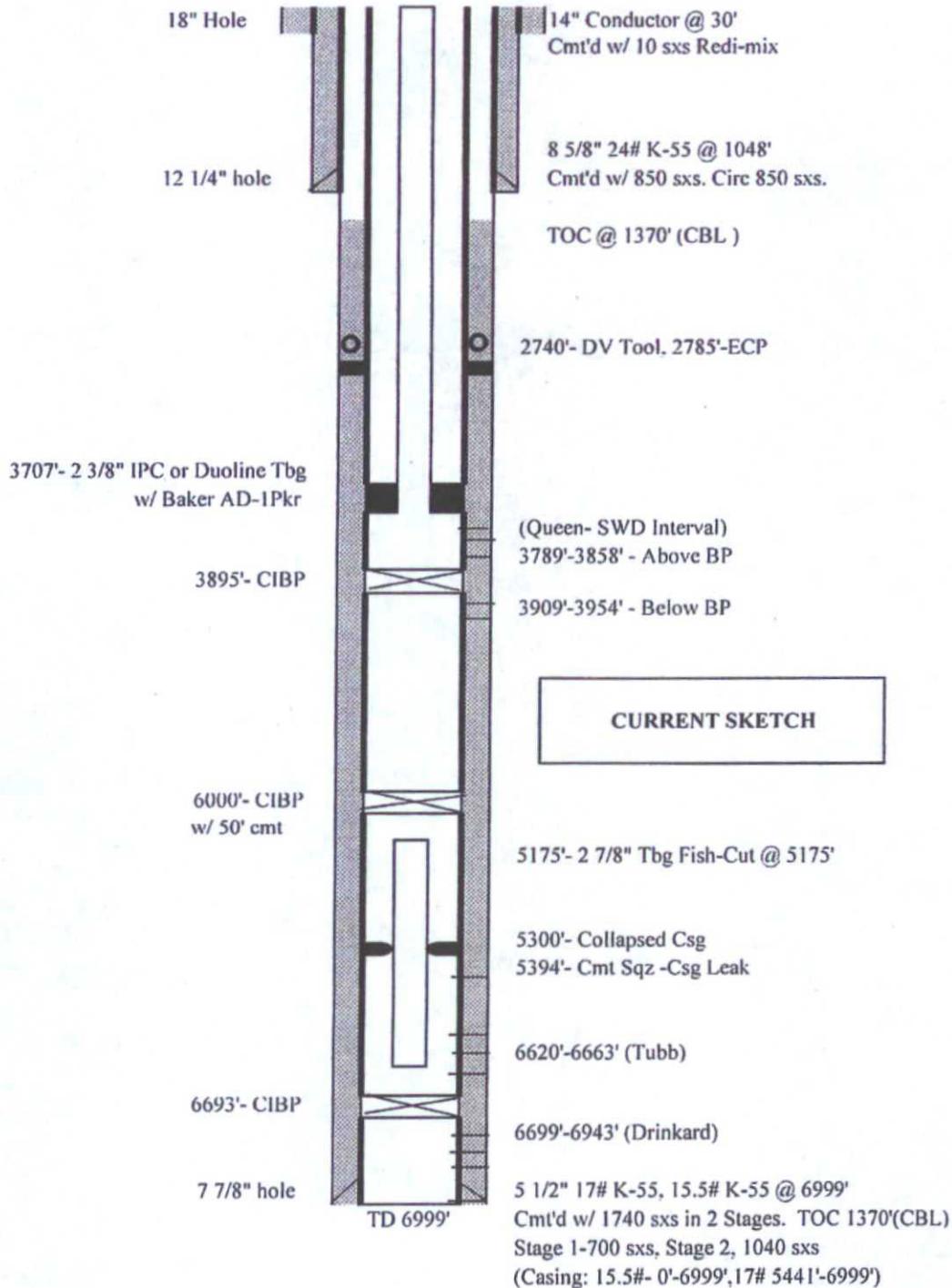
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

MBS/OCD 11/12/2015
RULE 19.15.26.12.c (1)
NO PROD REPORTED - 14 MONTHS - LOST AUTHORITY TO INJECT.
DEC 02 2015

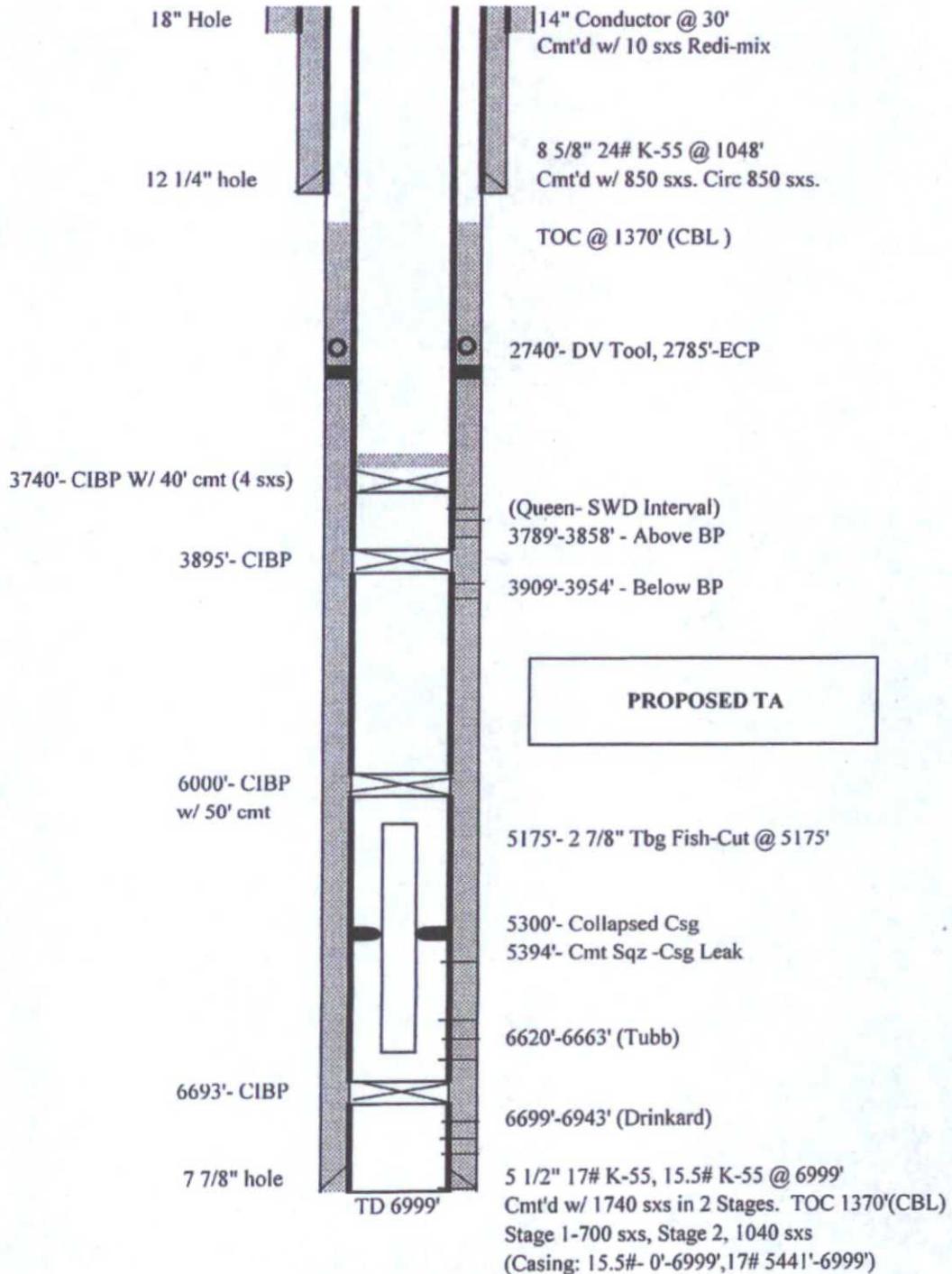
WELLBORE SCHEMATIC

Well Name & No.:	J. H. Mc Clure B COI # 22		
Field:	SWD : Queen		
Location:	1650' FSL x 660' FEL, Sec. 19, Unit Letter 1, T-24-S, R-38-E		
County:	Lea	State: NM	API #: 30-025-27176
GR Elevation:	3180.0	Spud Date:	10/16/81
KB Correction:	12.0	Drl Compl. Date:	03/07/82
KB Elevation:	3192.0	Original Well Name:	Same
		Original Operator:	Arco Oil & Gas



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		Original Operator:	Arco Oil & Gas



Conditions of Approval

Legacy Reserves Operating LP
J H McClure B COI - 22, API 3002527176
T24S-R38E, Sec 19, 1650FSL & 660FEL
October 10, 2015

1. Before casing or a liner is added, replaced, or repaired prior BLM approval of the design is required. Use notice of intent Form 3160-5.
2. Subject to like approval by the New Mexico Oil Conservation Division.
3. Notify BLM 575-393-3612 Lea Co as work begins. Some procedures are to be witnessed. If there is no response, leave a voice mail with the API#, workover purpose, and a call back phone number.
4. Surface disturbance beyond the existing pad must have prior approval.
5. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
6. Functional H₂S monitoring equipment shall be on location.
7. 3000 (3M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Ram(s) for the work string(s) used is required equipment. Manual BOP closure system including a blind ram and pipe ram(s) designed to close on all (hand wheels) equipment shall be installed regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
8. All waste (i.e. 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.
9. The BLM PET witness is to run tbg tally and agree to cement volumes and placement. Sample each plug for cement curing time and tag and/or pressure test as requested by BLM PET witness.
- 10. This procedure is subject to the next three numbered paragraphs.**
11. Mix cement plugs to cover a minimum of 100ft plus 10ft for every 1,000ft from the bottom of the plug, rounding the number of necessary sacks up to the nearest 5 sacks. Never use less than 25sx. Examples: A cement plug set at 8000 in 7" casing would require a min of 35sx. A 25sx plug in 5 ½" casing should cover 250ft, which may exceed 100ft plus 10ft per 1000ft.
12. Class H > 7500ft & C < 7500ft) cement plugs(s) will be necessary. For any plug that requires a tag or pressure test a minimum WOC time of 4 hours(C) & 8 hours(H) is

recommended. Formation isolation plugs of Class "C" to be mixed 14.8#/gal, 1.32 ft³/sx, 6.3gal/sx water and "H" to be mixed 16.4#/gal, 1.06ft³/sx, 4.3gal/sx water.

13. Minimum requirement for mud placed between plugs is 25 sacks of salt water gel per 100 barrels in 9 lb/gal brine.
14. **The wellbore lacks necessary plug back configuration. Workover operations are required to bring the wellbore into compliance.**
15. **Cleanout to the RBP at 6693. Set a 25sx minimum balanced cement plug on the RBP.**
16. **Set a 25sx minimum balanced cement plug from 6390 or below. Tag the plug with tubing at 5850 or above.**
17. **Set a 25sx minimum balanced cement plug from 5350 or below. Tag the plug with tubing at 5100 or above.**
18. **Set a 25sx minimum balanced cement plug from 4250 or below. Tag the plug with tubing at 4130 or above.**
19. **Set a CIBP less than 100' from the top Queen perforation of 3789'. Set a 25sx minimum balanced cement plug on the CIBP. Perform a casing integrity test of 800psig. Chart the test**
20. **Perform a charted casing integrity test of 800psig minimum to surface. Document the pressure test on a one hour full rotation calibrated (within 6 months) recorder chart registering within 25 to 85 per cent of its full range. Call BLM 575-393-3612 and arrange for a BLM witness of that pressure test. Include a copy of the chart in the subsequent sundry for this workover.**
21. **Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record from 3000 or below to top of cement taken with 0psig casing pressure. The CBL may be attached to a pswartz@blm.gov email. The CFO BLM on call engineer may be reached at 575-706-2779.**
22. **After setting the top plug, load the hole with packer fluid, shut down over night and schedule a charted casing integrity test of 500psig minimum. Document the pressure test on a one hour full rotation calibrated (within 6 months) recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Verify all annular casing vents are plumbed to surface and those valves open to the surface during this pressure test. Pressure leakoff will be evaluated site specifically and may restrict continued operation approval. Twenty four hours before the test contact BLM to witness; 575-393-3612. If no answer, leave a voice mail with the API#, workover purpose, and a call back phone number. Include a copy of the chart in the subsequent sundry for this workover.**
23. **Submit a subsequent Sundry Form 3160-5 relating the dated daily wellbore and CIT activities. **File within 30 days with justification for temporary abandonment and expected time table for returning the well to "beneficial use".****
24. **Workover approval is good for 90 days (completion to be within 90 days of approval).**
25. **Approval for WELLBORE TA PREPARATION ONLY. **BLM IS NOT APPROVING** a TA status for this well.**

26. An inactive/shut-in well bore is a non-producing completion that is capable of "beneficial use" i.e. production in paying quantities or of service use. Should "beneficial use" not be achieved submit for BLM approval a plan for plug and abandonment.