

DEC 02 2016

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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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

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| 5. Lease Serial No. NMNM20979 |
| 6. If Indian, Allottee or Tribe Name |
| 7. If Unit or CA/Agreement, Name and/or No. |
| 8. Well Name and No. LEA UNIT 37H |
| 9. API Well No. 30-025-43092 |
| 10. Field and Pool, or Exploratory LEA; BONE SPRING |
| 11. County or Parish, and State LEA COUNTY, NM |

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| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other |
| 2. Name of Operator LEGACY RESERVES OPERATING LP Contact: MATT DICKSON E-Mail: mdickson@legacylp.com |
| 3a. Address PO BOX 10848 MIDLAND, TX 79702 |
| 3b. Phone No. (include area code) Ph: 432-689-5200 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 24 T20S R34E NWSE 2270FSL 1480FEL |

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|--|---|
| <input type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <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 recomplate 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 recompletion 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.)

Drilling operations summary attached.

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| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #354495 verified by the BLM Well Information System For LEGACY RESERVES OPERATING LP, sent to the Hobbs Committed to AFMSS for processing by DEBORAH MCKINNEY on 10/13/2016 () | |
| Name (Printed/Typed) MATT DICKSON | Title DRILLING ENGINEER |
| Signature (Electronic Submission) | Date 10/12/2016 |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE | |
| Approved By _____ | Title _____ Date _____ |
| 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. | |

ACCEPTED FOR RECORD
NOV 4 2016
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

KE

Lea Unit #37H

Drilling Operations

5-Sept-2016: Spud well @ 03:30 hours. Drilled 17-1/2" hole to 1,785' MD (TD).

6-Sept-2016: Ran 42 joints of 13-3/8", 54.5#, J-55. STC casing set @ 1,780'. Pumped lead cement: 1,300 sx of Class C, 13.5 ppg, 1.72 yield, followed by tail cement: 200 sx Class C, 14.8 ppg, 1.34 yield. Circulated 473 sx / 145 bbls of cement to surface. WOC 4 hours. Installed Cameron 13-5/8" x 3K wellhead and test to 800 psi (good). Installed 13-5/8" x 5K mud cross, double-ram preventer annular preventer, rotating head bowl and flow nipple. Test BOP, top-drive, floor valves and mud lines to 250 psi low / 3000 psi high. Tested annular preventer to 2500 psi, and tested 13-3/8" surface casing to 1000 psi (good).

8-Sept-2016: Drilled 12-1/4" intermediate hole to a TD of 5,600'. *sundry was never approved*

9-Sept-2016: Ran 35 joints of 9-5/8" 40#, NT-80, LTC casing and 96 joints of 9-5/8" 40#, J-55, LTC casing set @ 5,553' w/DV Tool @ 1900'. Pumped lead cement: 1500 sx of 35:65 Poz/Class C, 12.60 ppg, 2.06 yield followed by tail cement: 300 sx of Class C, 14.8 ppg, 1.32 yield. Circulated 109 sx / 40 bbls of cement to surface. Dropped cancellation plug in order to cancel 2nd stage cement job due to circulating cement on 1st stage. Installed B Section & tested to 1800 PSI. Installed 13-5/8" x 5K Double Ram Preventer & 5K annular. Tested BOPE, choke manifold and all valves to 250 psi low / 5000 psi high. Tested annular preventer to 250 psi low / 2500 psi high. Tested 9-5/8" casing to 1500 psi (all test good).

22-Sept-2016: TD 8-3/4" production hole @ 18,206' MD / 10,434' TVD.

23-Sept-2016: Ran 445 joints of 5-1/2" 20#, HCP-110, GBCD casing set @ 18,184' MD. Pumped lead cement: 1400 sx 50:50 Poz/Class H, 11.9 ppg, 2.47 yield followed by tail cement: 2100 sx PVL, 12.6 ppg, 1.62 yield. Circulated 386 sx / 170 bbls of cement to surface, floats held. Set 5-1/2" casing slips and install 7-1/16" x 10k tubing spool, and test to 5000 psi (good). Rig release @ 06:00 hours on 25-Sept-2016. End of drilling operations, preparing well and location for completion operations.

Matt Dickson
Drilling Engineer
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