

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

HOBBS OCD  
OCT 13 2017  
RECEIVED

FORM APPROVED  
OMB NO. 1004-0137  
Expires: January 31, 2018

**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 page 2**

|  |   |   |
|--|---|---|
| 1. Type of Well<br><input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other |   | 5. Lease Serial No.<br>NMNM03085                          |
| 2. Name of Operator<br>LEGACY RESERVES OPERATING LP- Mail: pdarden@legacylp.com<br>Contact: D. PATRICK DARDEN, PE                |   | 6. If Indian, Allottee or Tribe Name                      |
| 3a. Address<br>303 W WALL ST SUITE 1800<br>MIDLAND, TX 79701   | 3b. Phone No. (include area code)<br>Ph: 432-689-5200 Ext: 5237 | 7. If Unit or CA/Agreement, Name and/or No.<br>NM 709 766 |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)<br>Sec 13 T20S R34E SWSE 900 FSL 1756FEL                  |   | 8. Well Name and No.<br>LEA UNIT 17                       |
|  |   | 9. API Well No.<br>30-025-32794                           |
|  |   | 10. Field and Pool or Exploratory Area<br>LEA; DEVONIAN   |
|  |   | 11. County or Parish, State<br>LEA CO COUNTY, NM          |

12. CHECK THE 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"/> Deepen               | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report           | <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Hydraulic Fracturing | <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 checked="" type="checkbox"/> Recomplete     | <input 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 recompletable 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletable in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must 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 will be testing and recompleting the Lea Unit #17 in uphole pay zones. A CIBP will be set at ~9,530' with 35' cement placed on top. New PBTD will be ~9,495'. Perspective zones will be perforated and tested from ~9,090'-6,600'.

Current and proposed wellbore diagrams attached.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

**APPROVED**

**SUBJECT TO LIKE  
APPROVAL BY STATE**

**WITNESS**

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

Electronic Submission #382110 verified by the BLM Well Information System  
For LEGACY RESERVES OPERATING LP, sent to the Hobbs  
Committed to AFMSS for processing by PRISCILLA PEREZ on 08/09/2017 ()

|  |                              |
|--|------------------------------|
| Name (Printed/Typed) D. PATRICK DARDEN, PE | Title SR ENGINEERING ADVISOR |
| Signature (Electronic Submission)          | Date 07/21/2017              |

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

|   |                   |        |
|---|-------------------|--------|
| Approved By <u>Paul R Swartz</u> 10/23/17   | Title <u>TPET</u> | 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 |

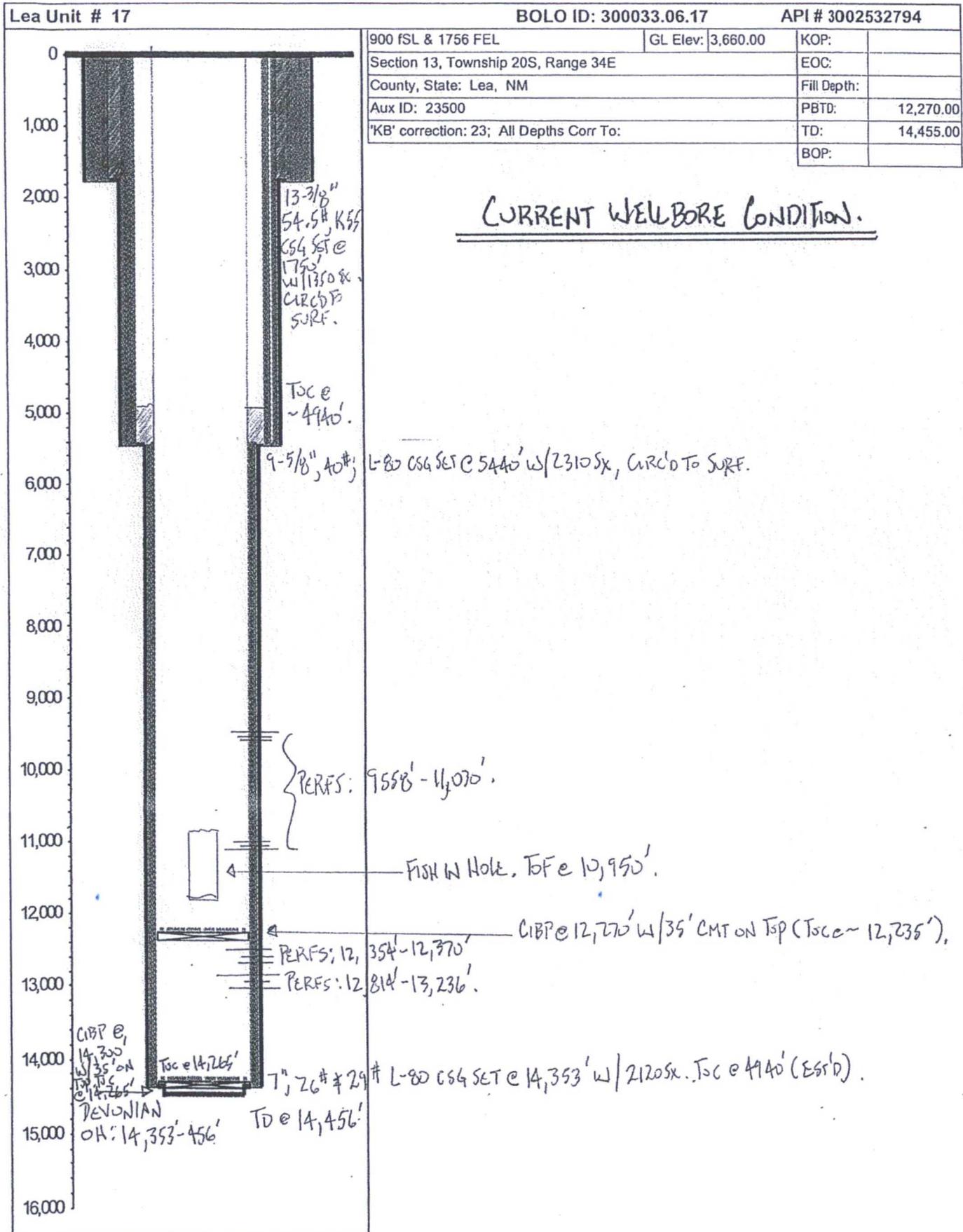
**BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE**

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.

(Instructions on page 2)

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

*[Handwritten Signature]*



## Conditions of Approval

**Legacy Reserves Operating, LP  
Lea Unit - 17, API 3002532794  
T20S-R34E, Sec 13, 900FSL & 1756FEL  
October 23, 2017**

1. **Begin wellbore operations within 90 days of these conditions of approval for the processed Electronic Submission #382110 notice of intent or request an extension.**
2. **Operator is required to have the BLM approved NOI procedure with applicable conditions of approval on location during this workover operation.**
3. Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15.
4. **The Unit agreement for this well (NM70976b) does not include the Delaware pay. Operator is removing well from the unitized formation. Operator shall remove "Unit" from the well name via sundry, and or rename well to produce on a lease basis.**
5. Subject to like approval by the New Mexico Oil Conservation Division.
6. Before adding, replacing, or repairing casing or a liner, prior BLM approval of the design is required. Use notice of intent Form 3160-5.
7. 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.
8. Surface disturbance beyond the existing pad shall have prior BLM approval.
9. Functional H<sub>2</sub>S monitoring equipment shall be on location.
10. Blow Out Prevention Equipment 5000 (5M) 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 or automatic locking devices) equipment 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.) employed when needed for reasonable well control requirements.
11. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created during 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. Portojohns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
12. Notify BLM 575-393-3612 Lea Co as work begins. Some procedures witnessed. If there is no response, leave a voice mail with the API#, workover purpose, and a call back phone number.

13. 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.
14. **This procedure is subject to the next three numbered paragraphs.**
15. Set 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 1/2" casing should cover 250ft, which may exceed 100ft plus 10ft per 1000ft.
16. 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 ft<sup>3</sup>/sx, 6.3gal/sx water and "H" to be mixed 16.4#/gal, 1.06ft<sup>3</sup>/sx, 4.3gal/sx water.
17. Minimum requirement for mud placed between plugs is 25 sacks of salt water gel per 100 barrels in 9 lb/gal brine.
18. **Remove all restrictions within the 7" casing and tag and record PBTD above the CIBP set at 14300 on 06/08/1995.**
19. **Set a min 50sx Class "H" balanced plug on the PBTD, WOC and tag the plug with tbg at 14053' or above isolating the Devonian formation.**
20. **Set a CIBP within 100' above the top Morrow perf of 13022'. Set a min 75sx Class "H" balanced plug on the CIBP, WOC and tag the plug with tbg at 12661' or above covering the Morrow formation top at 12722'.**
21. **Set a CIBP within 100' above the top Strawn perf of 12345'. Set a min 30sx Class "H" balanced plug on the CIBP, WOC and tag the plug with tbg at 12202' or above covering the Strawn formation top at 12277'.**
22. **Set a CIBP within 100' above the top Bone Spring perf of 9558'. Set a min 30sx Class "H" balanced plug on the CIBP, WOC and tag the plug with tbg at 9416' or above covering the 1<sup>st</sup> Bone Spring sand at 9494'.**
23. **Set a min 25sx Class "H" balanced plug from 8370' over the Bone Spring formation top at 8274'. WOC and tag the plug with tbg at 8203' or above covering the Bone Spring formation top.**
24. After setting the top plug and before perforating, **perform a charted casing integrity test** of 800psig minimum. Document the pressure test on a one hour full rotation calibrated (within 6 months) recorder chart registering within 35 to 85 per cent of its full range. **Verify all annular casing vents plumbed to the surface and open during this pressure test. Call BLM 575-393-3612 Lea Co. and arrange for a BLM witness of that pressure test.** Include a copy of the chart with the subsequent sundry for this workover.
25. **Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record from the new PBTD' with 0psig casing pressure to TOC. Attach the CBL to a pswartz@blm.gov email.**
26. File **subsequent sundry** Form 3160-5 within 30 days of workover procedures. Include (dated daily) descriptions of the well work, i.e. procedure descriptions and setting depths of each plug in the subsequent sundry.

27. The subsequent report is to include stimulation injection pressures. Report maximum/minimum injection rate (BPM) and max/min stimulation injection pressures.
28. Submit a (BLM Form 3160-5 subsequent report describing (dated daily) all wellbore activity and the Mechanical Integrity Test. File intermediate Form 3160-5 within 30 days of any interrupted workover procedures and a complete workover subsequent sundry.
29. A BLM Well Recompletion Form 3160-4 and a NMOCD Form C-102 "Well Location and Acreage Dedication Plat" with updated information is necessary with the subsequent package when recompletion changes a well's Pool designation.
30. File intermediate **subsequent sundry** Form 3160-5 within 30 days of any interrupted workover procedures and a complete workover subsequent sundry.

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.

31. Submit evidence to support your determination that the well is in active "beneficial use" for BLM approval on the Sundry Notice Form 3160-5 within 90 days of this sundry's approval date.
32. Should "beneficial use" not be achieved submit for BLM approval a plan for plug and abandonment.

**Operator: Legacy Reserves Operating, LP**  
**Surface Lease: NM03085**  
**Case No: NM03085**  
**Subsurface Concerns for Casing Designs: Cap KFC**  
 Well Status: SI  
 Spud date: 2/3/1995  
 Plug'd Date:  
 Reentry Date:

**Well: LEA UNIT-17**  
**API: 3002532794**  
**@ Srfce: T20S-R34E,13.900s1756e**  
**@ M TD: T20S-R34E,13.900s1756e**  
**Estate: P/V/F**  
 CWDW, R of W:  
 OCD Admn Order, date: 0  
 Frmtn, Depths, psig: 0

KB: 3686  
 GL: 3660  
 Corr: 26

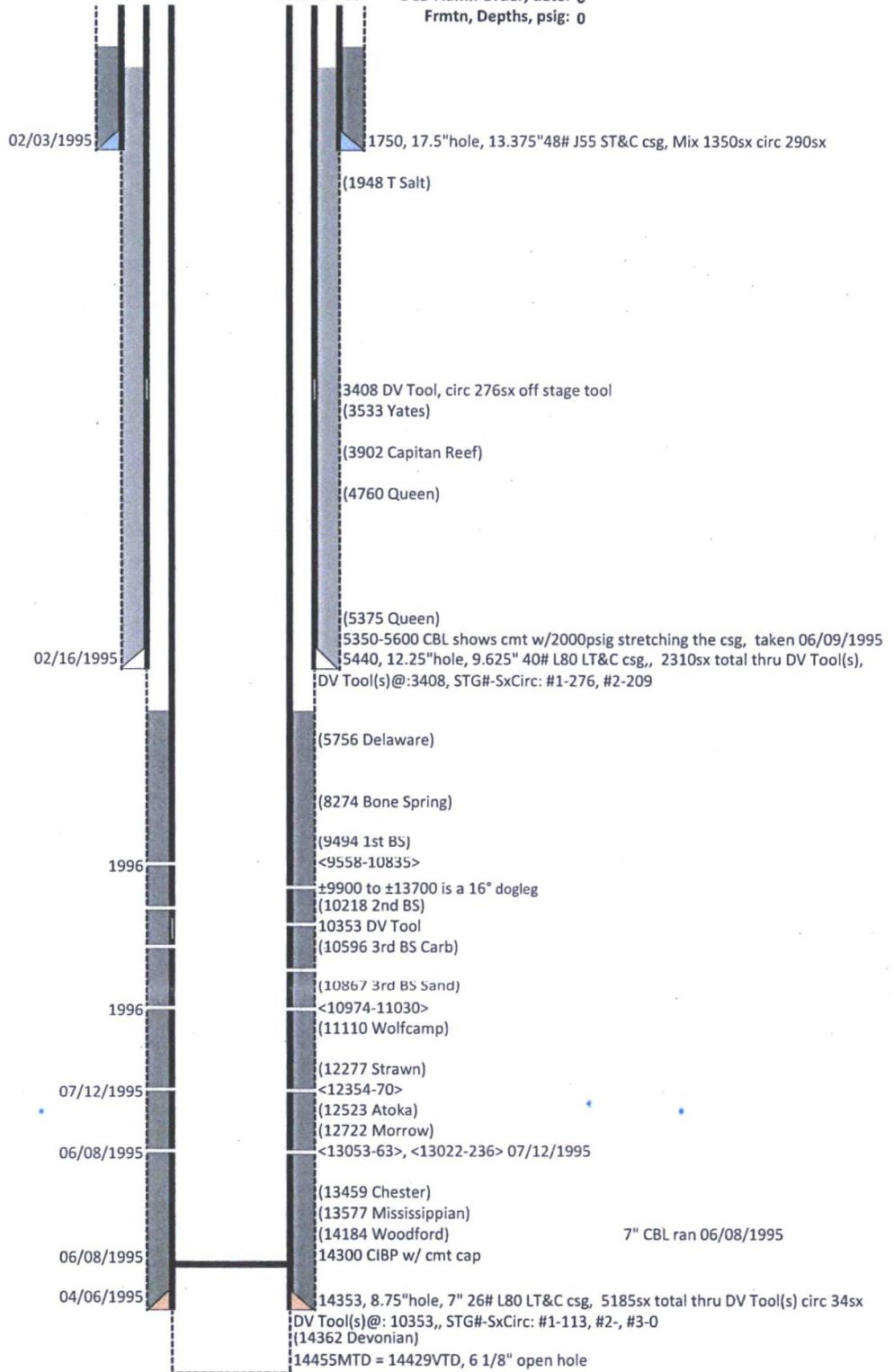


Diagram last updated: 10/18/2017