

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised June 10, 2003

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

WELL API NO. 30 025 38273
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Langlie Mattix Penrose Sand Unit
8. Well Number Well # 601
9. OGRID Number 240974
10. Pool name or Wildcat: 37240 Langlie Mattix 7Rvrs. Queen. Grayburg

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 (Injection) <input type="checkbox"/>	
2. Name of Operator Legacy Reserves Operating, LP	
3. Address of Operator P.O. Box 10848, Midland, TX 79702	
4. Well Location Unit Letter <u>K</u> : <u>1470</u> feet from the <u>South</u> line and <u>2490</u> feet from the <u>West</u> line Section <u>27</u> Township <u>22S</u> Range <u>37E</u> NMPM Lea County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.):	

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 COMPLETION ☐

OTHER:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Application to drill approved 2-2-2007.

Revised surface hole size from 12 1/4" to 11". Cement volumes adjusted as per attached "Drilling Prognosis-Revised".

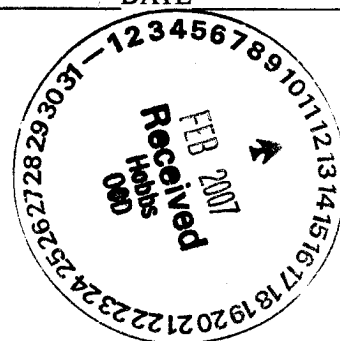
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Ann E. Ritchie TITLE Regulatory Agent DATE 2-8-07

Type or print name Ann E. Ritchie E-mail address: ann.ritchie@wtor.net Telephone No. 432 684-6381

(This space for State use)

APPROVED BY Hayward Wink FIELD REPRESENTATIVE II/STAFF MANAGER DATE FEB 13 2007
Conditions of approval, if any:



DRILLING PROGNOSIS - REVISED

Langlie Mattix Penrose Sand Unit (LMPSU)
Langlie Mattix 7Rivers, Queen, Grayburg Field
Drill 4, 3800', 20-Acre, Infill Producing Wells – 2007
(Well #'s 368,600,601,602)

Legacy Reserves Operating LP

Directions: LMPSU and Field Office located +/- 6 miles south of Eunice, N.M. off Hwy 18. Field office located just southeast of Dynegy gas plant off east side of Hwy 18. (Note: Hwy 18 and Hwy 207 run north-south and come together in a Y and essentially cut the LMPSU into a east, central and west sections – Gate Combination 3218).

GL Elevation: 3337'-Ave. (See Attached list)
Proposed TD: 3800'
Formation: Penrose Sand (Queen)
Drlg Contractor: United Drilling – Rig #4
KB : 7' above GL
Location: Sections 22, 27, 28 & 34, T-22-S, R-37-E
County: Lea
State: New Mexico
OCD Permit #: Pending
API #: Pending
Permit Depth: 3850'
AFE #: See Attached List
AFE \$: \$ 513,000

Surface Casing : 8-5/8", J-55, 24#, ST&C casing in 11" OD hole at 1200'. Cmt to surface w/ 525 sxs. Lead Cmt: 425 sxs Class "C"+ 4% gel + 2% CaCl. Tail Cmt: 100 sxs .Class "C"+ 2% CaCl. May use fluid caliper to calculate cmt volumes.
Centralizers: 7 (Jts-1,2,8,14,20,26,29- Use Stop ring on jts 1 & 2)
Float Equipment: Texas Pattern Guide Shoe and Float Collar (Use thread lock). Put 1 casing shoe jt between guide shoe and float collar.

Production Casing : 5 1/2", J-55, 15.5, ST&C casing in 7 7/8" OD hole at 3800'. Cmt to surface w/ 975 sxs. Lead Cmt: 600 sxs. Class "C"+ 6% gel + 2% CaCl. Tail Cmt: 375 sxs. Class "C"+ 2% CaCl. May use fluid caliper to calculate cmt volumes.
Centralizers: 15 (Jts-1,2,12,22,32,42,52,62,72,82,92 - Use Stop rings on jts 1 & 2)
Float Equipment: Saw Tooth Guide Shoe, Float Collar (Use thread lock on both). Put 1 casing shoe jt between guide shoe and float collar.

Samples: None (No mud logger)
Logging: None (No open hole logs)
Surveys: Every 500' to 3500' and at TD, max. 3 deg. deviation and 1 deg/100'
Other: Rotating Head
Mud Up Depth: None (No mudup required)
Potential Problems: Red Bed swelling and hole seepage in surface hole. Potential waterflows and hole seepage in production hole.