

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
May 27, 2004

RECEIVED
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
JUL 03 2008

HOBBS OCD

WELL API NO. 30-025-11751
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name SOUTH JUSTIS UNIT E
8. Well Number 201
9. OGRID Number 240974
10. Pool name or Wildcat JUSTIS-BLINEBRY-TUBB-DRINKARD

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3087' KB

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

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 ☒ Gas Well ☐ Other ☐

2. Name of Operator LEGACY RESERVES OPERATING LP

3. Address of Operator P.O. BOX 10848
MIDLAND, TX 79702

4. Well Location

Unit Letter E: 1980 feet from the NORTH line and 990 feet from the West line.
Section 24 Township T25S Range R37E NMPM LEA County

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐
OTHER: CANCEL FRAC JOB DUE TO BAD CASING : ☒

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.

START DATE: 5/1/08

MIRU. RIH w/ 6 1/8" bit and scraper and tag at 5985'. Work tbg down to 5040'. RIH w/ 6 1/8" bit, 6-4 1/2" drill collars and tagged at 4999'. Rig up reverse unit and drilled out to 5900' to 5969'. RIH w/ bailer. Tag fill at 5978' and clean out to 5985'. Run GR/CNL/CCL log from 5981' to 4000' Perforate 5000'-5014'-5253-5339-5648-5725-5743-5820-5831-5842-5872', total 11 holes. Spot 2000 gal 15% NEFE HCL acid across B-T-D perfs 5000' to 5920' in preparation of acid and frac job. RIH w/ 7" packer and 3 1/2" frac string. Set packer at 4924'. Attempt to load backside. Did not load and on vacuum. Move pkr and reset multiple times. Could not load annulus and well on vacuum. Suspect csg leaks. Rig up Weatherford Wireline and run 40-arm casing inspection log from 5025' to 3200'. Inspection log showed potential holes at 4015'-4599'-4717-4729-4731'-4741-4748-4832-4908-4921-4944-4946' and missing casing from 4975' to 5025' (btm logged depth). RIH w/ 7" packer and RBP. Set pkr and RBP at multiple depths to test casing. Confirmed multiple casing leaks with pump-in tests. Legacy ordered cancellation of frac and further work pending evaluation and partner approval of casing repair. RIH w/ prod equip. Put well back on pumping production.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Kent Williams TITLE: SENIOR ENGINEER DATE 7/2/2008

Type or print name KENT WILLIAMS
For State Use Only

E-mail address:

Telephone No. (432)689-5200

APPROVED

BY: Chris Williams
Conditions of Approval (if any):

OCD DISTRICT SUPERVISOR/GENERAL MANAGER
TITLE _____

DATE _____

JUL 07 2008