'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

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

Form C-103
May 27, 2004

WELL API NO. 30-025-30504

5. Indicate Type of Lease STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

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

7. Lease Name or Unit Agreement Name
State E 744-15

8. Well Number 1

2. Name of Operator LEGACY RESERVES OPERATING LP

9. OGRID Number 240974

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

10. Pool name or Wildcat
Mescalero Escarpe; Bone Spring

4. Well Location
Unit Letter I : 2086 feet from the South line and 554 feet from the East line.
Section 15 Township T18S Range R33E NMPM Lea County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*
GR: 3912'

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:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
OTHER:		Add Pay in Bone Spring	☒	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.

--- Please see attached ---

RECEIVED
OCT 13 2009
HOBBSOCD

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 D. Patrick Darden TITLE: Senior Engineer DATE 10/09/09

Type or print name D. Patrick Darden, P.E. E-mail address: Telephone No. (432)689-5200

For State Use Only

APPROVED BY: _____ TITLE PETROLEUM ENGINEER DATE OCT 14 2009

Conditions of Approval (if any):

PROCEDURE TO ADD PAY IN BONE SPRING
State E 744 15 #1
Mescalero Escarpe (Bone Spring) Field
Lea County, New Mexico

Estimated Start Date of November 01, 2009

1) MIRU PU. MI & rack 9,500' of 2-7/8", N-80 workstring (WS).

2) Unseat pmp. POH w/rods & pmp. Rel TAC. ND WH. NU BOP. POH w/prod tbg & TAC. Send TAC in for redressing.

3) PU bit & RIH slowly on WS to +/-9,500'. Report results to Midland office. CHC. POH w/WS & bit. LD ±2,100' of WS & bit.

4) MIRU WL trk w/full lubricator. RIH w/perf gun to 7,300'. Perf Bone Spring zone fr/7,300'-7,280' w/2 JSPF @ 120 degrees phasing (20', 42 shots, depth reference: Atlas WL Co. Z-Density, CNL, GR log dated 5/29/89). POH w/guns. RDMO WL trk.

5) PU 5-1/2" RBP, pkr & SN & RIH on WS to ±7,370'. Set RBP @ 7,370' (do not set RBP in csg collar). PUH w/tbg & pkr to ±7,360' (1 jt). Set pkr @ 7,360' (do not set pkr in csg collar). MIRU pmp trk. Load TCA w/2% KCl wtr. Tst RBP to 1,000 psig. Rel press. Rel pkr & PUH to ±7,210'. Set pkr @ 7,210' (do not set pkr in csg collar).

6) RU swb. Swb perfs 7,280'-7,300'.

7) Contact Midland Office w/results and to discuss facture procedure, if well is to be frac'd.

8) Fracture treat well as per procedure fr/Midland Office.

9) Flow back load and prep well to be returned to production.

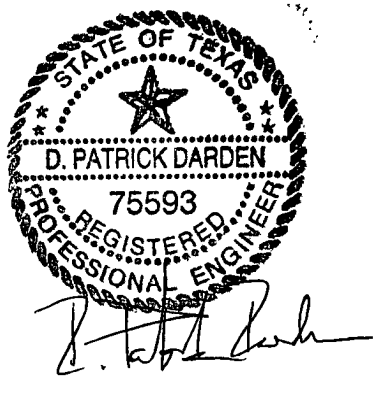
10) Rel pkr. POH w/tbg & pkr. PU retrieving tool & RIH on WS to RBP @ 7,370' (wash off sand if needed). Latch onto & rel RBP. POH LD WS, pkr & RBP.

11) RIH w/same tbg design as prior to workover. ND BOP. Set TAC (set above all perfs). NU WH.

12) RIH w/pmp on same rod design as prior to workover. RWTP.

13) RDMO PU.

14) Put well in test & shoot FL. Report results to Midland office.



D. Patrick Darden, PE