

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

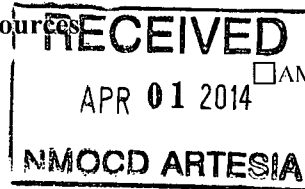
**District II**  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720

**District III**  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

**State of New Mexico**  
**Energy Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 South St. Francis Dr.**  
**Santa Fe, NM 87505**

Form C-101  
Revised July 18, 2013



**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

|   |  |   |
|---|--|---|
| <sup>1</sup> Operator Name and Address<br>Legend Natural Gas III, LP<br>15021 Katy Freeway, Ste. 200<br>Houston, TX 77094 |  | <sup>2</sup> OGRID Number<br>258894             |
| <sup>4</sup> Property Code<br>305419  | <sup>3</sup> Property Name<br>BUCKSHOT STATE COM | <sup>5</sup> API Number<br>30-015- <b>42269</b> |
|   |  | <sup>6</sup> Well No.<br>6H                     |

| <b>7. Surface Location</b> |         |          |       |         |           |          |           |          |        |
|----------------------------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot                   | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
| N                          | 31      | 24S      | 28E   |         | 181       | SOUTH    | 1736      | WEST     | Eddy   |

| <b>8. Proposed Bottom Hole Location</b> |         |          |       |         |           |          |           |          |        |
|---|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot                                | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
| C                                       | 31      | 24S      | 28E   |         | 330       | NORTH    | 2492      | WEST     | Eddy   |

|  |                    |
|--|--------------------|
| <sup>9</sup> Pool Information<br>Pool Name<br>Willow Lake; Bone Spring, WEST | Pool Code<br>96415 |
|--|--------------------|

|                              |  |  |                                   |   |
|------------------------------|--|--|-----------------------------------|---|
| <sup>11</sup> Work Type<br>N | <sup>12</sup> Well Type<br>O                         | <sup>13</sup> Cable/Rotary<br>R                  | <sup>14</sup> Lease Type<br>State | <sup>15</sup> Ground Level Elevation<br>3036' |
| <sup>16</sup> Multiple<br>N  | <sup>17</sup> Proposed Depth<br>12700' MD; 7985' TVD | <sup>18</sup> Formation<br>Bone Spring           | <sup>19</sup> Contractor          | <sup>20</sup> Spud Date<br>Upon Arrival       |
| Depth to Ground water <133"  |  | Distance from nearest fresh water well 7100' ENE |                                   | Distance to nearest surface water >500' NW    |

☒ We will be using a closed-loop system in lieu of lined pits

| <b>21. Proposed Casing and Cement Program</b> |           |             |                  |               |                 |               |
|---|-----------|-------------|------------------|---------------|-----------------|---------------|
| Type  | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
| Surf.   | 14.75     | 11.75       | 42               | 400           | 375             | Surface       |
| Inter.  | 10.625    | 8.625       | 32               | 2500          | 850             | Surface       |
| Prod.   | 73875     | 5.5         | 17               | 12700         | 2200            | Surface       |

**Casing/Cement Program: Additional Comments**

Drill 14-3/4" hole to approx 400' with fresh water spud mud system. Run 11-3/4" 42# H40 STC casing to TD and cement to surface in one stage. Will use 1" topout tubing and class "C" cement to cement to surface if necessary. Drill 10-5/8" hole to approx 2,500' with saturated brine water mud system. Run 8-5/8" 32# J55 LTC casing to TD and cement to surface in one stage. Drill 7-7/8" vertical production hole to approx. 7,500' with cut brine mud system. Drill 7-7/8" curve/lateral production hole to approx 12,700' with cut brine mud system. Run 5-1/2" 17# P110 BTC casing to TD and cement to surface in one stage.

| <b>22. Proposed Blowout Prevention Program</b> |                  |               |              |
|--|------------------|---------------|--------------|
| Type   | Working Pressure | Test Pressure | Manufacturer |
| Annular  | 5000             | 3000          | Hydril       |
| Blind Ram                                      | 5000             | 3000          | Cameron      |
| Pipe Ram                                       | 5000             | 3000          | CAMERON      |

|  |                                   |   |  |
|--|-----------------------------------|---|--|
| <p>23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.</p> <p>I further certify that I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input type="checkbox"/>, if applicable.</p> <p>Signature: <i>Jennifer Elrod</i></p> |                                   | <p>OIL CONSERVATION DIVISION</p>  |  |
| <p>Printed name: <i>Jennifer Elrod</i></p>   |                                   | <p>Approved By: <i>T. C. Shepard</i></p>                                    |  |
| <p>Title: <i>SR. Regulatory Analyst</i></p>  |                                   | <p>Title: <b>"Geologist"</b></p>  |  |
| <p>E-mail Address: <i>jelrod@engr.com</i></p>  |                                   | <p>Approved Date: <i>4-1-2014</i>      Expiration Date: <i>4-1-2016</i></p> |  |
| <p>Date: <i>3/31/14</i></p>  | <p>Phone: <i>817-872-7822</i></p> | <p>Conditions of Approval Attached</p>                                      |  |

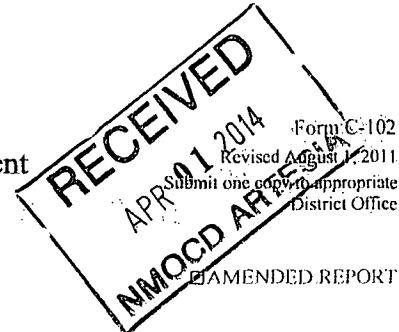
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State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505



WELL LOCATION AND ACREAGE DEDICATION PLAT

|                                   |  |  |
|-----------------------------------|--|--|
| API Number<br><b>30-015-42269</b> | Pool Code<br><b>96415</b>                          | Pool Name<br><b>Willow Lake; Bone Spring, West</b> |
| Property Code<br><b>305419</b>    | Property Name<br><b>BUCKSHOT STATE COM</b>         | Well Number<br><b>6H</b>                           |
| OGRID No.<br><b>258894</b>        | Operator Name<br><b>LEGEND NATURAL GAS III, LP</b> | Elevation<br><b>3053'</b>                          |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N             | 31      | 24-S     | 28-E  |         | 181           | SOUTH            | 1736          | WEST           | EDDY   |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C             | 31      | 24-S     | 28-E  |         | 330           | NORTH            | 2492          | WEST           | EDDY   |

| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
|-----------------|-----------------|--------------------|-----------|
| 160             |                 |                    |           |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

|  |  |  |   |
|--|--|--|---|
|  | <p>GEODETIC COORDINATES<br/>NAD 83 NME</p> <p>BOTTOM HOLE LOCATION<br/>Y=429385.6 N<br/>X=605035.8 E<br/>LAT.=32.180291° N<br/>LONG.=104.127443° W</p>   | <p>GEODETIC COORDINATES<br/>NAD 27 NME</p> <p>BOTTOM HOLE LOCATION<br/>Y=429327.5 N<br/>X=563852.4 E<br/>LAT.=32.180170° N<br/>LONG.=104.126950° W</p> | <p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Jennifer Elrod</i> 03/31/2014<br/>Signature Date</p> <p>Jennifer Elrod<br/>Printed Name</p> <p>jelrod@lng2.com<br/>E-mail Address</p> |
|  | <p><b>CORNER COORDINATES TABLE</b><br/>NAD 27</p> <p>A - Y=429647.3 N, X=562706.8 E<br/>B - Y=429659.1 N, X=564039.1 E<br/>C - Y=424327.0 N, X=564056.3 E<br/>D - Y=424327.4 N, X=562726.9 E</p> |  |   |
|  | <p><b>NAD 83</b></p> <p>A - Y=429705.4 N, X=603890.2 E<br/>B - Y=429717.2 N, X=605222.6 E<br/>C - Y=424385.0 N, X=605239.8 E<br/>D - Y=424385.4 N, X=603910.4 E</p>                              |  |   |
|  | <p>GEODETIC COORDINATES<br/>NAD 83 NME</p> <p>SURFACE LOCATION<br/>Y=424566.2 N<br/>X=604282.5 E<br/>LAT.=32.167047° N<br/>LONG.=104.129908° W</p>   | <p>GEODETIC COORDINATES<br/>NAD 27 NME</p> <p>SURFACE LOCATION<br/>Y=424508.2 N<br/>X=563099.0 E<br/>LAT.=32.166926° N<br/>LONG.=104.129415° W</p>     |   |
| <p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>MARCH 3, 2014</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>GARY G. EIDSON</i><br/>12641<br/>RECEIVED<br/>2014 MAR 27 14<br/>PROFESSIONAL SURVEYOR</p> <p>Certification Number: Gary G. Eidson 12641<br/>J. Eidson 3239</p> <p>ACK JWSC.W.O. 14.11.0240</p> |  |  |   |