

**BEFORE THE OIL CONSERVATION
DIVISION EXAMINER HEARING
February 2, 2023**

Case No. 22701

Jet Fed Com 401H
Jet Fed Com 402H
Jet Fed Com 501H
Jet Fed Com 502H
Jet Fed Com 601H
Jet Fed Com 602H

Eddy County, New Mexico



**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATIONS OF LEGACY RESERVES
OPERATING LP FOR A HORIZONTAL SPACING
UNIT AND COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO**

Case No. 22701

**CONSOLIDATED HEARING PACKAGE
TABLE OF CONTENTS**

Legacy Exhibit A: Compulsory Pooling Application Checklist

Legacy Exhibit B: Filed Application

Legacy Exhibit C: Affidavit of Taylor Thoreson, Land Director

- Legacy Exhibit C-1: General Location Map(s)
- Legacy Exhibit C-2: C-102(s)
- Legacy Exhibit C-3: Tract and Spacing Unit Depictions
- Legacy Exhibit C-4: Interest Calculation for Spacing Units
- Legacy Exhibit C-5: Well Proposal Letter(s)
- Legacy Exhibit C-6: AFE(s)
- Legacy Exhibit C-7: Chronology of Contact

Legacy Exhibit D: Affidavit of John Stewart, Petroleum Geologist

- Legacy Exhibit D-1: Base Map
- Legacy Exhibit D-2: Bone Spring Structure Map
- Legacy Exhibit D-3: Bone Spring Cross Section
- Legacy Exhibit D-4: Base Map
- Legacy Exhibit D-5: Bone Spring Structure Map
- Legacy Exhibit D-6: Bone Spring Cross Section
- Legacy Exhibit D-7: Base Map
- Legacy Exhibit D-8: Bone Spring Structure Map
- Legacy Exhibit D-9: Bone Spring Cross Section

Legacy Exhibit E: Notice Affidavit

Legacy Exhibit F: Affidavit of Publication

COMPULSORY POOLING APPLICATION CHECKLIST


ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case:	APPLICANT'S RESPONSE
Date	February 2, 2023
Applicant	Legacy Reserves Operating LP
Designated Operator & OGRID (affiliation if applicable)	294281
Applicant's Counsel:	James Parrot, Beatty & Wozniak, P.C.
Case Title:	Application of Legacy Reserves Operating LP for a Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	COG Operating, LLC and Concho Oil & Gas LLC; Mewbourne Oil Company
Well Family	Jet
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Formation
Pool Name and Pool Code:	Bone Spring [pending]
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	480, more or less
Building Blocks:	Quarter-Quarter sections
Orientation:	North-South
Description: TRS/County	E/2 of Section 33, T-18-S, R-31-E, Eddy County and NE/4 of Section 4, T-19-S, R-31-E, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit C

Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	<p>Jet Fed Com 401 H Well (API No. Pending) SHL: NE/4NE/4 (Lot A) of Section 33, Township 18 South, Range 31 East, N.M.P.M. BHL: SW/4NE/4 (Lot G) of Section 4, Township 19 South, Range 31 East, N.M.P.M.</p> <p>Completion Target: Bone Spring Formation Well Orientation: North to South Completion Location: Standard</p>
Well #2	<p>Jet Fed Com 402 H Well (API No. Pending) SHL: NE/4NE/4 (Lot A) of Section 33, Township 18 South, Range 31 East, N.M.P.M. BHL: SE/4NE/4 (Lot H) of Section 4, Township 19 South, Range 31 East, N.M.P.M.</p> <p>Completion Target: Bone Spring Formation Well Orientation: North to South Completion Location: Standard</p>
Well #3	<p>Jet Fed Com 501 H Well (API No. Pending) SHL: NE/4NE/4 (Lot A) of Section 33, Township 18 South, Range 31 East, N.M.P.M. BHL: SW/4NE/4 (Lot G) of Section 4, Township 19 South, Range 31 East, N.M.P.M.</p> <p>Completion Target: Bone Spring Formation Well Orientation: North to South Completion Location: Standard</p>
Well #4	<p>Jet Fed Com 502 H Well (API No. Pending) SHL: NE/4NE/4 (Lot A) of Section 33, Township 18 South, Range 31 East, N.M.P.M. BHL: SE/4NE/4 (Lot H) of Section 4, Township 19 South, Range 31 East, N.M.P.M.</p> <p>Completion Target: Bone Spring Formation Well Orientation: North to South Completion Location: Standard</p>

Well #5	Jet Fed Com 601 H Well (API No. Pending) SHL: NE/4NE/4 (Lot A) of Section 33, Township 18 South, Range 31 East, N.M.P.M. BHL: SW/4NE/4 (Lot G) of Section 4, Township 19 South, Range 31 East, N.M.P.M. Completion Target: Bone Spring Formation Well Orientation: North to South Completion Location: Standard
Well #6	Jet Fed Com 602 H Well (API No. Pending) SHL: NE/4NE/4 (Lot A) of Section 33, Township 18 South, Range 31 East, N.M.P.M. BHL: SE/4NE/4 (Lot H) of Section 4, Township 19 South, Range 31 East, N.M.P.M. Completion Target: Bone Spring Formation Well Orientation: North to South Completion Location: Standard
Horizontal Well First and Last Take Points	Exhibit C-2
Completion Target (Formation, TVD and MD)	Exhibits C-5, C-6, and D-2
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibits B and E
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibits C-3, C-4, and C-5
Tract List (including lease numbers and owners)	Exhibits C-3, C-4, and C-5

If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	n/a
Pooled Parties (including ownership type)	Exhibits C-4 and C-5
Unlocatable Parties to be Pooled	Exhibits C-4 and C-5
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibits C-4 and C-5
Chronology of Contact with Non-Joined Working Interests	Exhibit C-7
Overhead Rates In Proposal Letter	Exhibits C-5 and C-6
Cost Estimate to Drill and Complete	Exhibit C-6
Cost Estimate to Equip Well	Exhibit C-6
Cost Estimate for Production Facilities	Exhibit C-6
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibits C-2, C-3, D-1, D-4, and D-7
Gunbarrel/Lateral Trajectory Schematic	Exhibits C-3, D-1, D-2, D-4, D-5, D-7, and D-8
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D
HSU Cross Section	Exhibit D-2, D-5, and D-8
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits C-4 and C-5
General Location Map (including basin)	Exhibit C-1
Well Bore Location Map	Exhibit C-2, D-1, D-2, D-4, D-5, D-7, and D-8
Structure Contour Map - Subsea Depth	Exhibit D-2, D-5, and D-8
Cross Section Location Map (including wells)	Exhibit D-1, D-4, and D-7
Cross Section (including Landing Zone)	Exhibit D-3, D-6, and D-9
Additional Information	

Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James P. Parrot
Signed Name (Attorney or Party Representative):	
Date:	January 31, 2023

**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF LEGACY RESERVES
OPERATING LP FOR A HORIZONTAL SPACING
UNIT AND COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO**

Case No. 22701

APPLICATION

Legacy Reserves Operating LP (“Legacy”) OGRID No. 294281 through its undersigned attorneys, hereby files this Application with the Oil Conservation Division (“Division”) pursuant to the provisions of NMSA 1978, Section 70-2-17, for an order (1) creating a standard 480-acre, more or less, horizontal spacing and proration unit (“HSU”) composed of the E½ of Section 33, Township 18 South, Range 31 East, N.M.P.M., and NE¼ of Section 4, Township 19 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit.

In support of its Application, Legacy states the following:

1. Legacy is a working interest owner with the right to drill in the proposed HSU.
2. Legacy to dedicate the above-referenced HSU to the following proposed horizontal wells:
 - a. **Jet Federal Com 401H Well**, an oil well, to be horizontally drilled from an approximate surface location in the NE¼NE¼ of Section 33, Township 18 South, Range 31 East, N.M.P.M., to a bottom hole location in the SW¼NE¼ of Section 4, Township 19 South, Range 31 East, N.M.P.M.
 - b. **Jet Federal Com 402H Well**, an oil well, to be horizontally drilled from an approximate surface location in the NE¼NE¼ of Section 33, Township 18 South, Range 31 East,

N.M.P.M., to a bottom hole location in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 19 South, Range 31 East, N.M.P.M.

c. **Jet Federal Com 501H Well**, an oil well, to be horizontally drilled from an approximate surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33, Township 18 South, Range 31 East, N.M.P.M., to a bottom hole location in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 19 South, Range 31 East, N.M.P.M.

d. **Jet Federal Com 502H Well**, an oil well, to be horizontally drilled from an approximate surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33, Township 18 South, Range 31 East, N.M.P.M., to a bottom hole location in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 19 South, Range 31 East, N.M.P.M.

e. **Jet Federal Com 601H Well**, an oil well, to be horizontally drilled from an approximate surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33, Township 18 South, Range 31 East, N.M.P.M., to a bottom hole location in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 19 South, Range 31 East, N.M.P.M.

f. **Jet Federal Com 602H Well**, an oil well, to be horizontally drilled from an approximate surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33, Township 18 South, Range 31 East, N.M.P.M., to a bottom hole location in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 19 South, Range 31 East, N.M.P.M.

3. The wells are orthodox in their locations, and their take points and laterals comply with Statewide Rules for setbacks.

4. Legacy has sought in good faith, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the wells or in the commitment of their interests to the wells for their development within the proposed HSU.

5. The pooling of all interests in the Bone Spring formation within the proposed HSU, and creation of the HSU, will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Legacy requests that all uncommitted interests in this HSU be pooled and that Legacy be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, Legacy requests that this Application be set for hearing on April 21, 2022, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

a. Approving the creation of a standard 480-acre, more or less, spacing and proration unit comprised of the E½ of Section 33, Township 18 South, Range 31 East, N.M.P.M., and NE¼ of Section 4, Township 19 South, Range 31 East, N.M.P.M., Eddy County, New Mexico;

b. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the proposed HSU.

c. Approving the drilling of the following 1.5-mile wells in the HSU: (1) Jet Federal Com 401H Well, (2) Jet Federal Com 402H Well, (3) Jet Federal Com 501H Well, (4) Jet Federal Com 502H Well, (5) Jet Federal Com 601H Well, and (6) Jet Federal Com 602H Well.

d. Designating Legacy as operator of this HSU and the horizontal wells to be drilled thereon;


e. Authorizing Legacy to recover its costs of drilling, equipping, and completing the wells;

f. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

g. Setting a 200% charge for the risk assumed by Legacy in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted

BEATTY & WOZNIAK, P.C.

By: 

James P. Parrot
1675 Broadway, Suite 600
Denver, CO 80202
(303) 407-4457
jparrot@bwenergylaw.com

**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATIONS OF LEGACY RESERVES
OPERATING LP FOR A HORIZONTAL SPACING
UNIT AND COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO**

Case No. 22701

AFFIDAVIT OF TAYLOR THORESON

Taylor Thoreson, being first duly sworn upon oath, deposes and states as follows:

1. My name is Taylor Thoreson, and I am employed by Legacy Reserves Operating LP (“Legacy”) as its Director of Land.
2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) and had my credentials accepted as those of an expert. I have worked directly or in a supervisory role with the properties that are the subject of these matters.
 - a. I have a Bachelor of Business Administration in Energy Management from the University of Oklahoma and a Master of Business Administration from Southern Methodist University Cox School of Business
 - b. I am a Certified Professional Landman (CPL) certification by the American Association of Professional Landmen (AAPL).
 - c. I have worked in petroleum land matters since May of 2013, including experience in the Permian Basin.
3. I am submitting this affidavit in support of Legacy’s applications in the above-referenced cases pursuant to 19.15.4.12.(A)(1) NMAC.

4. I am familiar with the applications filed by Legacy in these consolidated cases and the status of the lands in the subject lands.

5. Under Case No. 22701, Legacy seeks orders from the Division (1) creating standard 480-acre, more or less, spacing and proration units comprising lands in Section 33, Township 18 South, Range 31 East, N.M.P.M. and Section 4, Township 19 South, Range 31 East, N.M.P.M. Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation as follows:

a. The **Jet Fed Com 401 H Well** (API No. Pending), the **Jet Fed Com 501 H Well** (API No. Pending), and the **Jet Fed Com 601 H Well** (API No. Pending), which will be drilled to the Bone Spring Formation, one of which will be the initial well in the unit, all to be horizontally drilled from a surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33, Township 18 South, Range 31 East, N.M.P.M., to a bottom hole location in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 19 South, Range 31 East, N.M.P.M.; and

b. The **Jet Fed Com 402 H Well** (API No. Pending), the **Jet Fed Com 502 H Well** (API No. Pending), and the **Jet Fed Com 602 H Well** (API No. Pending), which will be drilled to the Bone Spring Formation, one of which will be the initial well in the unit, all to be horizontally drilled from a surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33, Township 18 South, Range 31 East, N.M.P.M., to a bottom hole location in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 19 South, Range 31 East, N.M.P.M..

6. **Legacy Exhibit C-1** is a general location map showing the proposed Bone Spring formation spacing units. The acreage subject to the applications are federal lands.

7. **Legacy Exhibit C-2** contains the Form C-102s reflecting that the proposed Bone Spring wells to be drilled and completed in the subject units. The location of each well is orthodox and meets the Division's offset requirements.

8. A review of the Bone Spring Formation underlying the subject lands indicated that there are no overlapping spacing units in the Bone Spring Formation.

9. **Legacy Exhibit C-3** outlines the proposed Bone Spring units and tracts therein.

10. **Legacy Exhibit C-4** sets forth the parties being pooled, the nature of their interests, and their last known address. The exhibit identifies the tract number, tract percentage interest, and spacing unit percentage interest for each mineral owner. In compiling these addresses, I conducted a diligent search of the public records in Eddy County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All working interest owners and overriding royalty interest owners were locatable and noticed, and there are no unleased mineral interest owners. Legacy caused notice to be published in the Albuquerque Journal and in the Current-Argus, newspapers of general circulation in Eddy County, New Mexico. I provided the law firm of Beatty & Wozniak, P.C. with the names and addresses for these mineral owners and instructed that each owner be provided notice of the hearing in these matters.

11. **Legacy Exhibits C-5** contains the well proposal letter(s) sent on January 3, 2022 to each mineral interest owner.

12. **Legacy Exhibit C-6** contains the AFE for each proposed well. The estimated costs of the wells set forth in the AFEs is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

13. **Legacy Exhibit C-7** sets forth a chronology of the contacts with owners. Legacy has made a good faith effort to obtain voluntary joinder of the working interest owners in the proposed wells.

14. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interests in the wells. However, Legacy remains in discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between Legacy and another interest owner or owners, Legacy requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and the protection of correlative rights.

15. Legacy requests overhead and administrative rates of \$8,000/month for drilling each well and \$800/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of New Mexico. Legacy respectfully requests that these administrative and overhead costs be incorporated into any orders entered by the Division in these cases.

16. Legacy requests the maximum cost, plus 200% risk charge be assessed against nonconsenting working interest owners.

17. Legacy requests that it be designated operator of the units and wells.

18. **Exhibit C-1** through **Exhibit C-7** were either prepared by me or compiled from Legacy's company business records under my direction and supervision.

19. The granting of these applications is in the best interest of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

20. I hereby swear that to the best of my knowledge and belief, all of the matters set forth herein and in the exhibits are true, correct, and accurate.

[Remainder of page left intentionally blank]

Dated this 31st day of January, 2023.

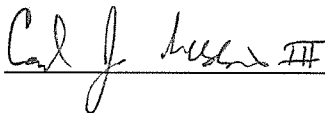
Taylor Thoreson
Legacy Reserves Operating LP

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

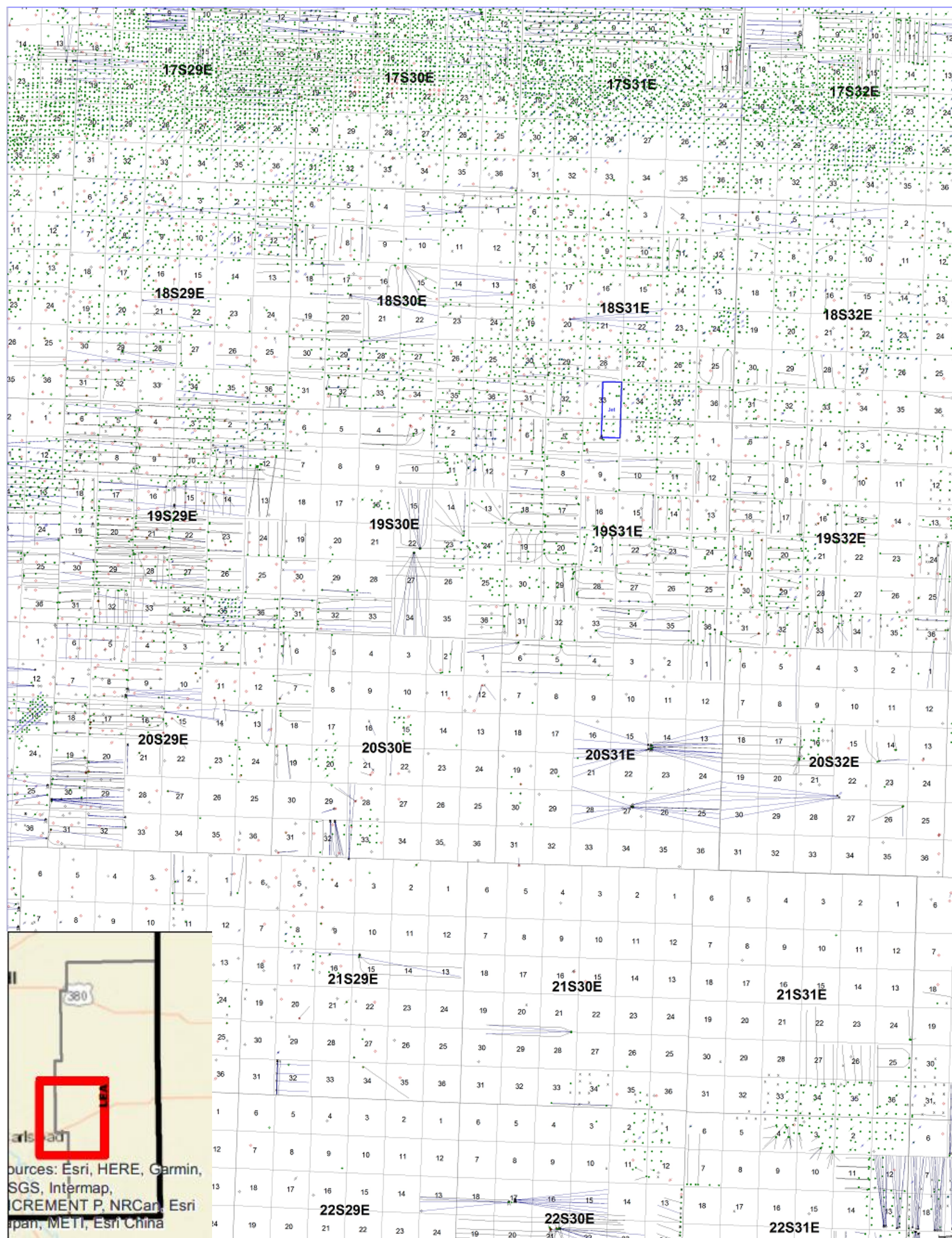
The foregoing instrument was subscribed and sworn to before me this 31st day of January, 2023, by Taylor Thoreson, Director of Land for Legacy Reserves Operating LP.

Witness my hand and official seal.

My commission expires: 11-16-2025



Jet Unit



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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name JET FEDERAL COM	⁶ Well Number 401H
⁷ OGRID No.	⁸ Operator Name LEGACY RESERVES OPERATING	⁹ Elevation 3616.5'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	33	18S	31E		550	NORTH	1020	EAST	EDDY

¹¹ 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
G	4	19S	31E		2540	NORTH	1980	EAST	EDDY
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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.

16

- = SURFACE HOLE LOCATION
- ◆ = LANDING POINT/FIRST TAKE POINT
- = LAST TAKE POINT/
BOTTOM HOLE LOCATION
- ▲ = SECTION CORNER LOCATED

NOTE:

- Distances referenced on plat to section lines are perpendicular.
- Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	S89°53'27"W	2641.27'
L2	N64°59'25"W	1060.07'

NAD 83 (SURFACE HOLE LOCATION)	
LATITUDE = 32°42'34.92" (32.709701°)	
LONGITUDE = 103°52'09.07" (103.869185°)	
NAD 27 (SURFACE HOLE LOCATION)	
LATITUDE = 32°42'34.49" (32.709581°)	
LONGITUDE = 103°52'07.25" (103.868681°)	
STATE PLANE NAD 83 (N.M. EAST)	
N: 622332.98' E: 684099.30'	
STATE PLANE NAD 27 (N.M. EAST)	
N: 622169.83' E: 642920.16'	
NAD 83 (LP/FTP)	
LATITUDE = 32°42'39.36" (32.710933°)	
LONGITUDE = 103°52'20.31" (103.872308°)	
NAD 27 (LP/FTP)	
LATITUDE = 32°42'38.93" (32.710813°)	
LONGITUDE = 103°52'18.49" (103.871803°)	
STATE PLANE NAD 83 (N.M. EAST)	
N: 622676.97' E: 683136.92'	
STATE PLANE NAD 27 (N.M. EAST)	
N: 622163.83' E: 641957.79'	
NAD 83 (LTP/BHL)	
LATITUDE = 32°41'22.97" (32.689714°)	
LONGITUDE = 103°52'20.14" (103.872262°)	
NAD 27 (LTP/BHL)	
LATITUDE = 32°41'22.54" (32.689594°)	
LONGITUDE = 103°52'18.33" (103.871758°)	
STATE PLANE NAD 83 (N.M. EAST)	
N: 614957.42' E: 683184.61'	
STATE PLANE NAD 27 (N.M. EAST)	
N: 614894.45' E: 642005.28'	

17 OPERATOR CERTIFICATION

I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

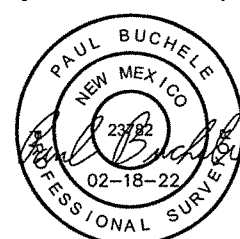
Fatma Abdallah 6/17/22
Signature Date
Fatma Abdallah
Printed Name
fabbdallah@reserves.com
E-mail Address

18 SURVEYOR CERTIFICATION

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.

February 16, 2022

Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number:

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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name JET FEDERAL COM	⁶ Well Number 402H
⁷ OGRID No.	⁸ Operator Name LEGACY RESERVES OPERATING	⁹ Elevation 3616.5'

¹⁰ Surface Location

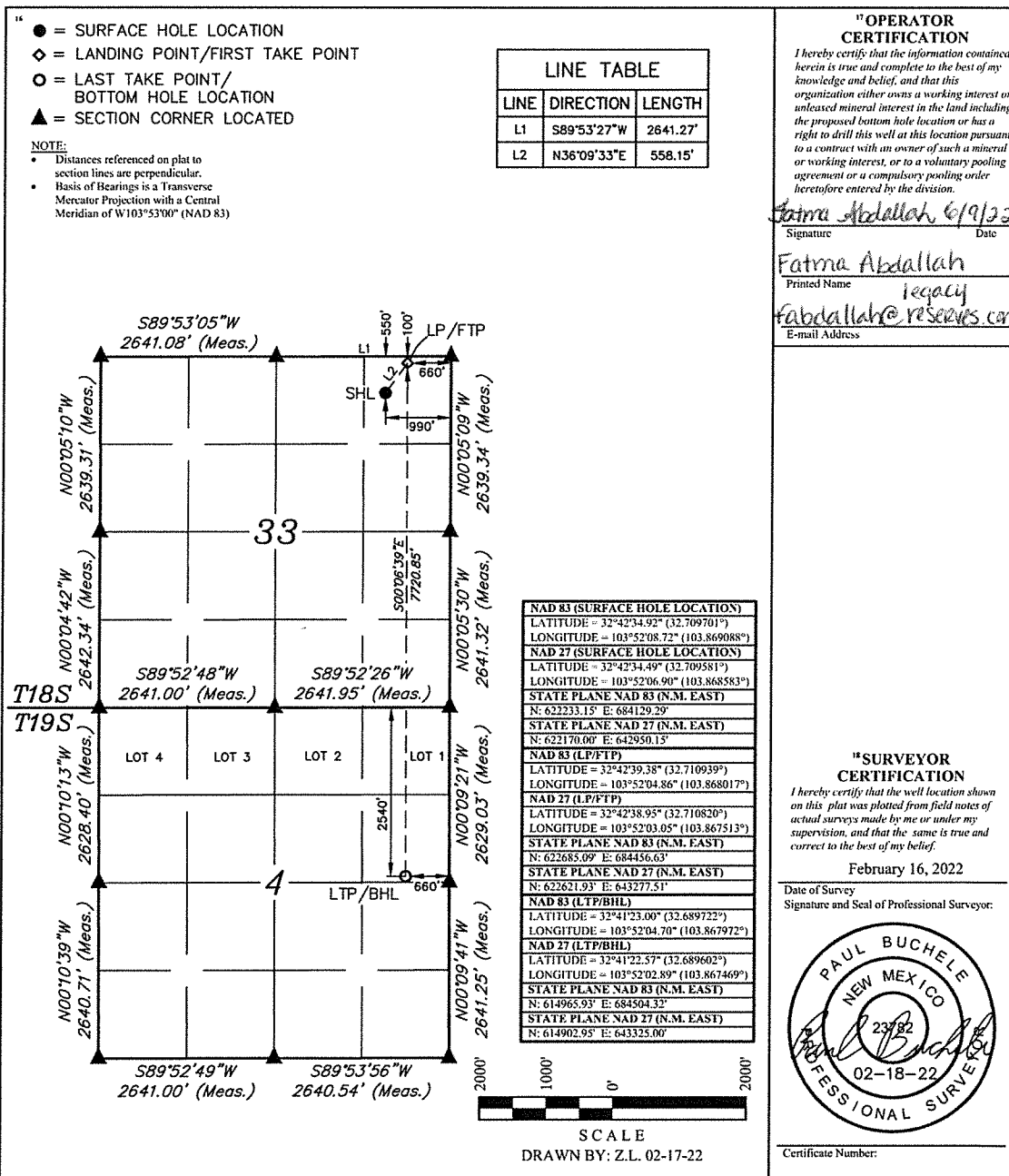
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	33	18S	31E		550	NORTH	990	EAST	EDDY

¹¹ 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
H	4	19S	31E		2540	NORTH	660	EAST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name JET FEDERAL COM	⁶ Well Number 50111
⁷ OGRID No.	⁸ Operator Name LEGACY RESERVES OPERATING	⁹ Elevation 3615.6'

¹⁰ Surface Location

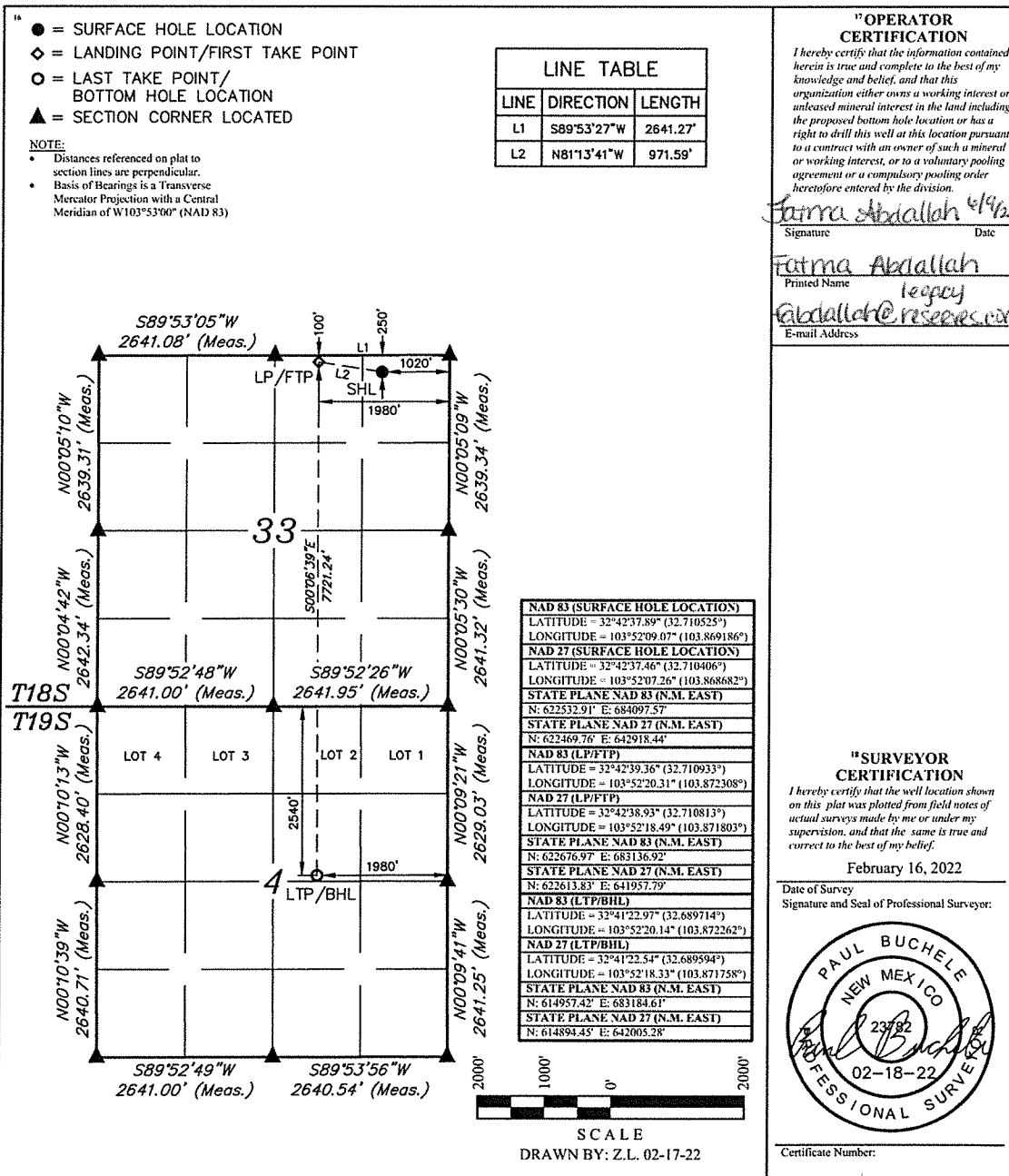
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	33	18S	31E		250	NORTH	1020	EAST	EDDY

¹¹ 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
G	4	19S	31E		2540	NORTH	1980	EAST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.

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.



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

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name JET FEDERAL COM	⁶ Well Number 502H
⁷ OGRID No.	⁸ Operator Name LEGACY RESERVES OPERATING	⁹ Elevation 3615.0'

¹⁰ Surface Location

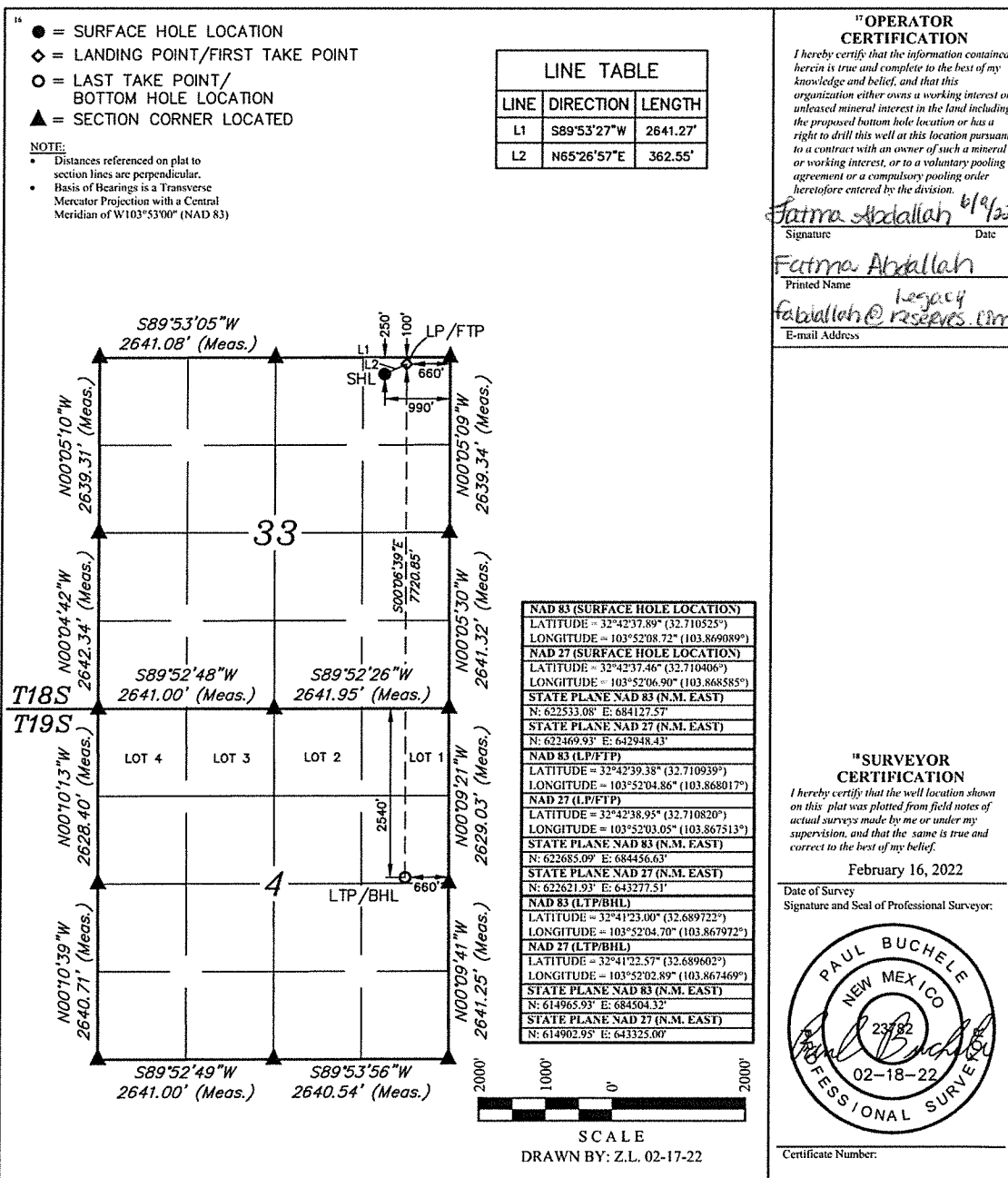
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	33	18S	31E		250	NORTH	990	EAST	EDDY

¹¹ 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
H	4	19S	31E		2540	NORTH	660	EAST	EDDY

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------	-------------------------------	----------------------------------	-------------------------

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.



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Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name JET FEDERAL COM	⁶ Well Number 601H
⁷ OGRID No.	⁸ Operator Name LEGACY RESERVES OPERATING	⁹ Elevation 3615.5'

¹⁰ Surface Location

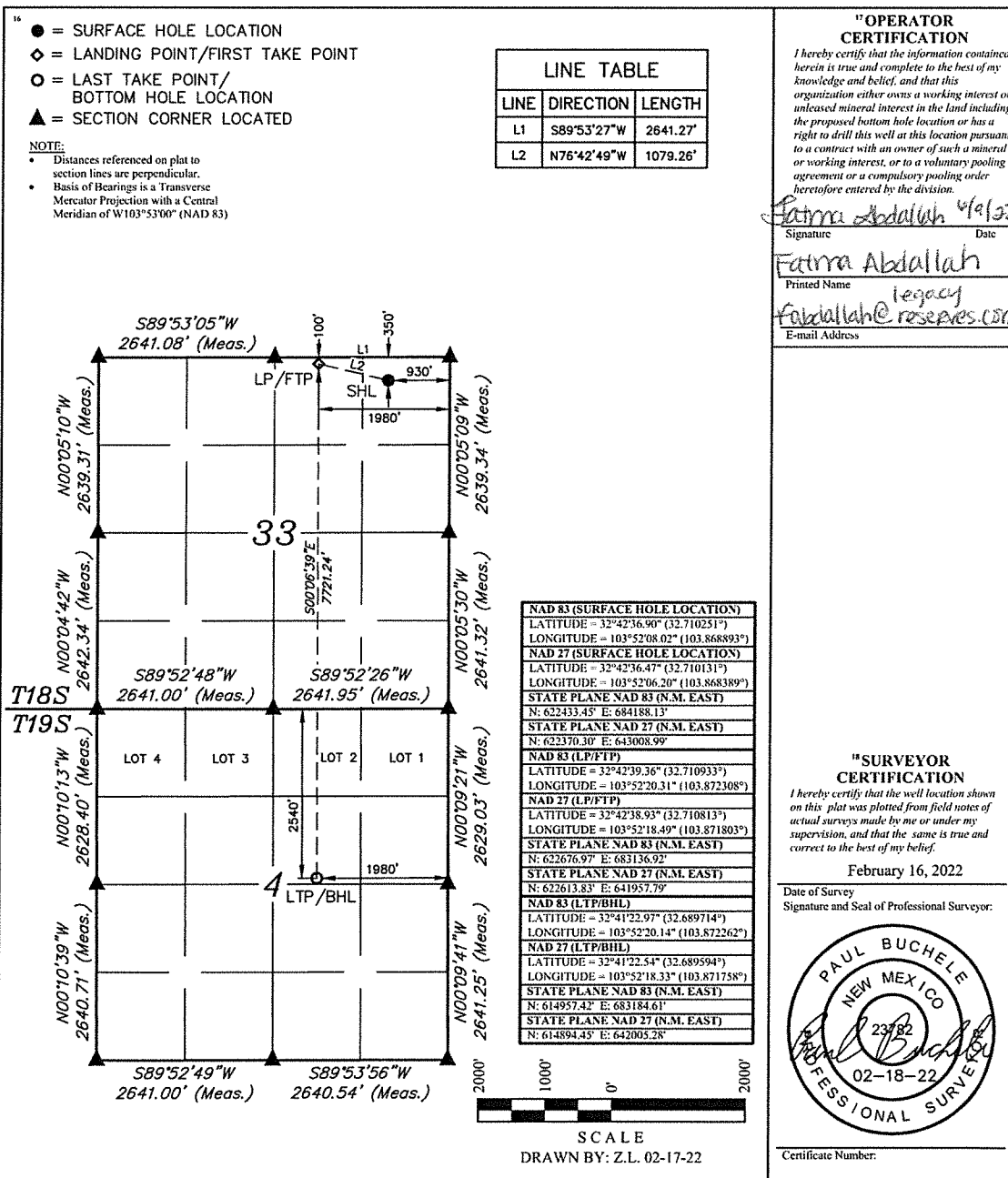
UL or lot no. A	Section 33	Township 18S	Range 31E	Lot Idn	Feet from the 2540	North/South line NORTH	Feet from the 930	East/West line EAST	County EDDY
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. G	Section 4	Township 19S	Range 31E	Lot Idn	Feet from the 2540	North/South line NORTH	Feet from the 1980	East/West line EAST	County EDDY
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¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.





LEGACY
RESERVES

BEFORE THE OIL
CONSERVATION DIVISION
EXAMINER HEARING

February 2, 2023

Case No. 22701

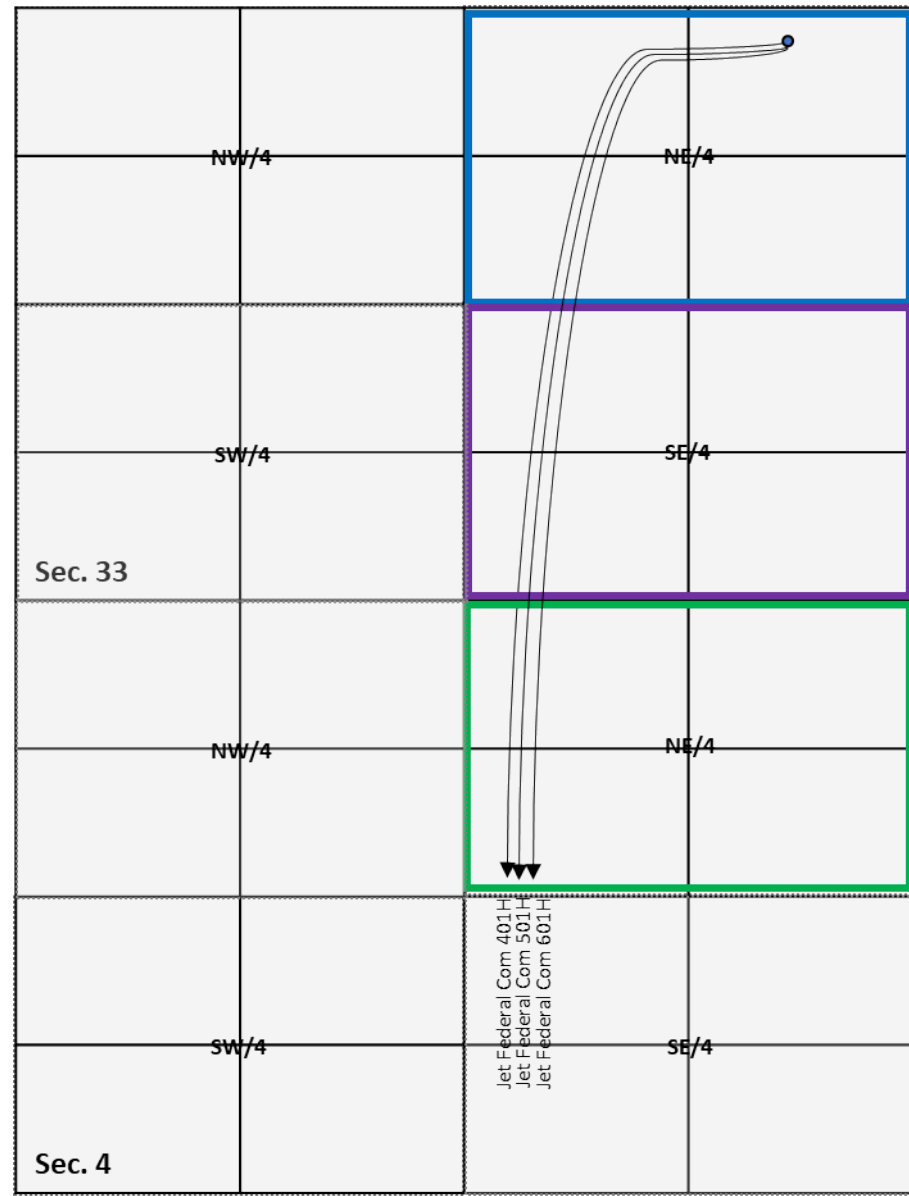
Case No. 22701

Jet Fed Com 401H
Jet Fed Com 501H
Jet Fed Com 601H

18 South, 31 East, N.M.P.M.
Section 33: E½

19 South, 31 East, N.M.P.M.
Section 4: NE¼

Eddy County, New Mexico
Bone Spring Formation



- Tract 1: NM-28790 (160 Acres)
- Tract 2: NMNM-12211 (160 Acres)
- Tract 3: LC-069041 (160 Acres)

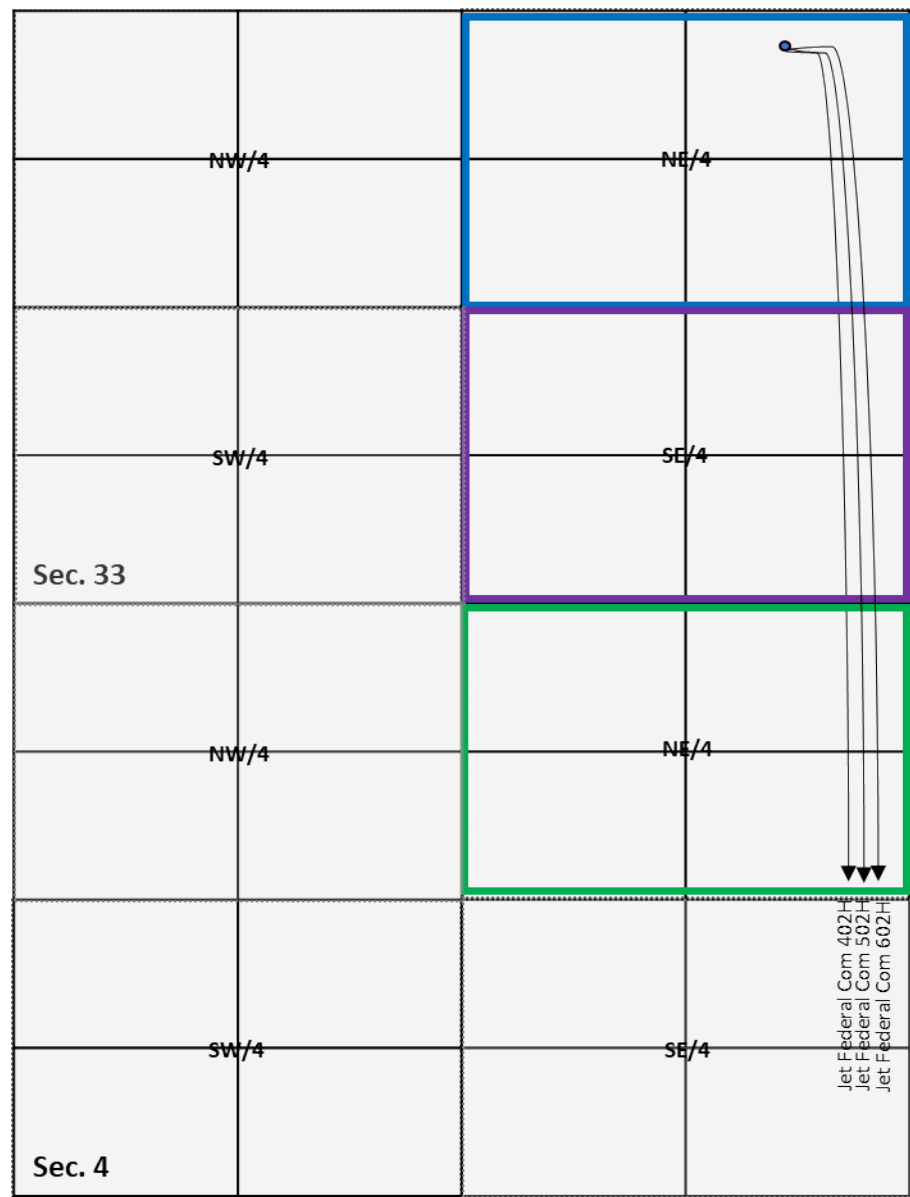
Case No. 22701




Jet Fed Com 402H
Jet Fed Com 502H
Jet Fed Com 602H

18 South, 31 East, N.M.P.M.
Section 33: E½

19 South, 31 East, N.M.P.M.
Section 4: NE¼

Eddy County, New Mexico
Bone Spring Formation

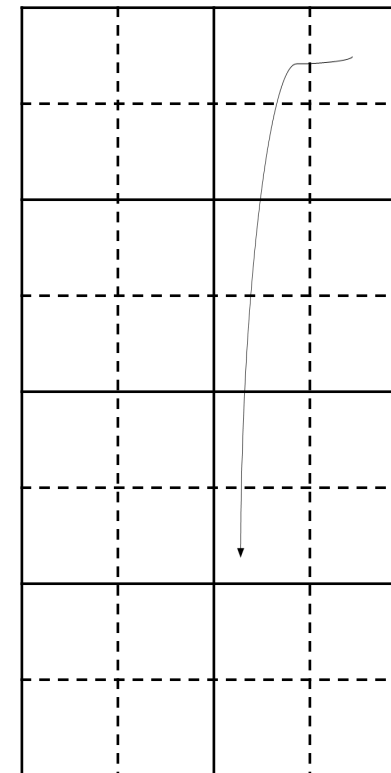


-  Tract 1: NM-28790 (160 Acres)
-  Tract 2: NMNM-12211 (160 Acres)
-  Tract 3: LC-069041 (160 Acres)

Working Interest Ownership

Jet Fed Com 401H, 501H & 601H

OWNER	INTEREST	STATUS
Legacy Reserves Operating LP	66.6667%	Committed
COG Operating LLC	31.6667%	Committed
Concho Oil & Gas LLC	1.6667%	Committed



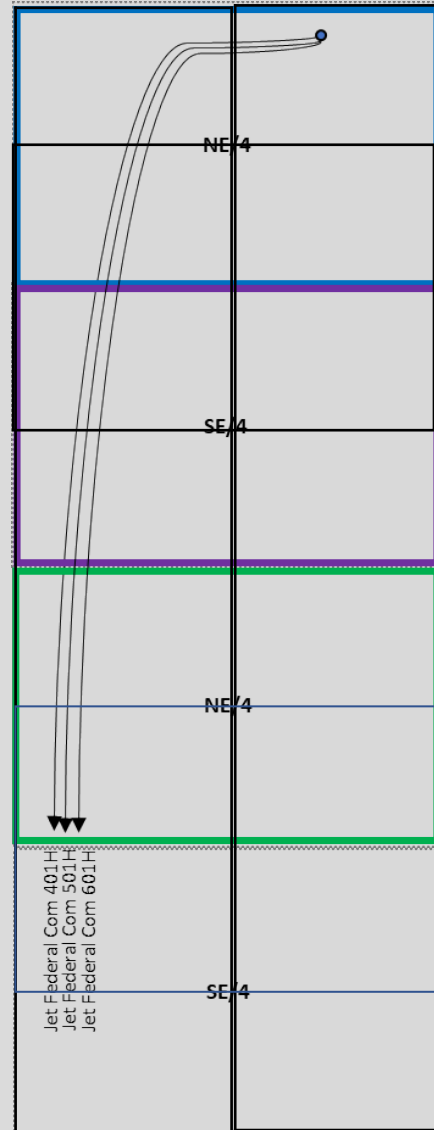
Working Interest Ownership

Jet Fed Com 402H, 502H & 602H

OWNER	INTEREST	STATUS
Legacy Reserves Operating LP	66.6667%	Committed
COG Operating LLC	31.6667%	Committed
Concho Oil & Gas LLC	1.6667%	Committed

Working Interest (Tract Ownership)

Jet Fed Com 401H, 501H
& 601H



☐ Tract 1: NM-28790 (160 Acres)

OWNER	NET ACRES	TRACT WI	STATUS
Legacy Reserves Operating LP	160.00	1.00000000	Committed

☐ Tract 2: NMNM-12211 (160 Acres)

OWNER	NET ACRES	TRACT WI	STATUS
Legacy Reserves Operating LP	160.00	1.00000000	Committed

☐ Tract 3: LC-069041 (160 Acres)

OWNER	NET ACRES	TRACT WI	STATUS
COG Operating LLC	152.00	0.95000000	Committed
Concho Oil & Gas LLC	8.00	0.05000000	Committed

Working Interest (Tract Ownership)

Jet Fed Com 402H, 502H
& 602H



☐ Tract 1: NM-28790 (160 Acres)

OWNER	NET ACRES	TRACT WI	STATUS
Legacy Reserves Operating LP	160.00	1.00000000	Committed

☐ Tract 2: NMNM-12211 (160 Acres)

OWNER	NET ACRES	TRACT WI	STATUS
Legacy Reserves Operating LP	160.00	1.00000000	Committed

☐ Tract 3: LC-069041 (160 Acres)

OWNER	NET ACRES	TRACT WI	STATUS
COG Operating LLC	152.00	0.95000000	Committed
Concho Oil & Gas LLC	8.00	0.05000000	Committed



Sent Via Certified Mail

December 30, 2021

COG OPERATING LLC
550 WEST TEXAS AVENUE
SUITE 1300
MIDLAND, TX 79701

Re: **Jet Federal Com #401H**
Participation Proposal
Eddy County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Jet Federal Com #401H (the "Well") located in Section 33, Township 18 South, Range 31 East, & Section 4, Township 19 South, Range 31 East, Eddy County, New Mexico.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each well is itemized on the enclosed Authority for Expenditures ("AFE") dated December 30, 2021.
 - **Jet Federal Com #401H**: to be drilled from the legal location with a proposed surface hole location in the NE/4NE/4 of Section 33-T18S-R31E and a proposed bottom hole location in the SW/4NE/4 of Section 4-T19S-R31E. The well will have a targeted interval within the Bone Spring Formation and will be drilled horizontally in the First Bone Spring (~8,000' TVD) interval to a measured depth of approximately 15,900'.

Legacy reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. Legacy will advise you of any such modifications.

Legacy is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement ("Operating Agreement"). The Operating Agreement dated January 1, 2022, by and between Legacy Reserves Operating LP, as Operator and various Non-Operators, covers the E/2 of Section 33, Township 18 South, Range 31 East, & the NE/4 of Section 4, Township 19 South, Range 31 East, Eddy County, New Mexico, embracing 480 acres, more or less, with the following general provisions:

- 100%/300%/300% Non-consent penalty;
- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Legacy requests that you indicate your election in the drilling and completion of the Well in the spaces provided below, sign and return one (1) copy of this letter to the undersigned. If your election is to participate in the drilling and completion of the Well, please also sign and return a copy of the enclosed AFE with your participation election. Please be aware that the enclosed AFE is only an **estimate** of costs to be incurred and by electing to participate in the Well, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Thank you for your consideration of this proposal. **If you are interested in divesting of your interest or if you have any questions, please contact Teri Greer at (432) 689-5246 or tgreer@legacyreserves.com.**

Sincerely,

LEGACY RESERVES OPERATING LP



Brett Willis, CPL
Sr. Landman

Enclosures: (1)

COG OPERATING LLC hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's **Jet Federal Com #401H** well.

_____ Not to participate in the **Jet Federal Com #401H**.

COG OPERATING LLC

By: _____
(signature)

Title: _____

Date: _____

Phone: _____



Sent Via Certified Mail

December 30, 2021

COG OPERATING LLC
550 WEST TEXAS AVENUE
SUITE 1300
MIDLAND, TX 79701

Re: **Jet Federal Com #402H**
Participation Proposal
Eddy County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Jet Federal Com #402H (the "Well") located in Section 33, Township 18 South, Range 31 East, & Section 4, Township 19 South, Range 31 East, Eddy County, New Mexico.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each well is itemized on the enclosed Authority for Expenditures ("AFE") dated December 30, 2021.
 - **Jet Federal Com #402H**: to be drilled from the legal location with a proposed surface hole location in the NE/4NE/4 of Section 33-T18S-R31E and a proposed bottom hole location in the SE/4NE/4 of Section 4-T19S-R31E. The well will have a targeted interval within the Bone Spring Formation and will be drilled horizontally in the First Bone Spring (~8,000' TVD) interval to a measured depth of approximately 15,900'.

Legacy reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. Legacy will advise you of any such modifications.

Legacy is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement ("Operating Agreement"). The Operating Agreement dated January 1, 2022, by and between Legacy Reserves Operating LP, as Operator and various Non-Operators, covers the E/2 of Section 33, Township 18 South, Range 31 East, & the NE/4 of Section 4, Township 19 South, Range 31 East, Eddy County, New Mexico, embracing 480 acres, more or less, with the following general provisions:

- 100%/300%/300% Non-consent penalty;
- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Legacy requests that you indicate your election in the drilling and completion of the Well in the spaces provided below, sign and return one (1) copy of this letter to the undersigned. If your election is to participate in the drilling and completion of the Well, please also sign and return a copy of the enclosed AFE with your participation election. Please be aware that the enclosed AFE is only an **estimate** of costs to be incurred and by electing to participate in the Well, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Thank you for your consideration of this proposal. **If you are interested in divesting of your interest or if you have any questions, please contact Teri Greer at (432) 689-5246 or tgreer@legacyreserves.com.**

Sincerely,

LEGACY RESERVES OPERATING LP



Brett Willis, CPL
Sr. Landman

Enclosures: (1)

COG OPERATING LLC hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's **Jet Federal Com #402H** well.

_____ Not to participate in the **Jet Federal Com #402H**.

COG OPERATING LLC

By: _____
(signature)

Title: _____

Date: _____

Phone: _____



Sent Via Certified Mail

December 30, 2021

COG OPERATING LLC
550 WEST TEXAS AVENUE
SUITE 1300
MIDLAND, TX 79701

Re: **Jet Federal Com #501H**
Participation Proposal
Eddy County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Jet Federal Com #501H (the "Well") located in Section 33, Township 18 South, Range 31 East, & Section 4, Township 19 South, Range 31 East, Eddy County, New Mexico.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each well is itemized on the enclosed Authority for Expenditures ("AFE") dated December 30, 2021.
 - **Jet Federal Com #501H:** to be drilled from the legal location with a proposed surface hole location in the NE/4NE/4 of Section 33-T18S-R31E and a proposed bottom hole location in the SW/4NE/4 of Section 4-T19S-R31E. The well will have a targeted interval within the Bone Spring Formation and will be drilled horizontally in the Second Bone Spring (~8,750' TVD) interval to a measured depth of approximately 16,650'.

Legacy reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. Legacy will advise you of any such modifications.

Legacy is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement ("Operating Agreement"). The Operating Agreement dated January 1, 2022, by and between Legacy Reserves Operating LP, as Operator and various Non-Operators, covers the E/2 of Section 33, Township 18 South, Range 31 East, & the NE/4 of Section 4, Township 19 South, Range 31 East, Eddy County, New Mexico, embracing 480 acres, more or less, with the following general provisions:

- 100%/300%/300% Non-consent penalty;
- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Legacy requests that you indicate your election in the drilling and completion of the Well in the spaces provided below, sign and return one (1) copy of this letter to the undersigned. If your election is to participate in the drilling and completion of the Well, please also sign and return a copy of the enclosed AFE with your participation election. Please be aware that the enclosed AFE is only an **estimate** of costs to be incurred and by electing to participate in the Well, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Legacy Reserves Inc. ■ 15 Smith Road, Suite 3000; Midland, TX 79705 ■ Phone: (432) 689-5200 ■ www.legacyreserves.com

Thank you for your consideration of this proposal. **If you are interested in divesting of your interest or if you have any questions, please contact Teri Greer at (432) 689-5246 or tgreer@legacyreserves.com.**

Sincerely,

LEGACY RESERVES OPERATING LP



Brett Willis, CPL
Sr. Landman

Enclosures: (1)

COG OPERATING LLC hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's **Jet Federal Com #501H** well.

_____ Not to participate in the **Jet Federal Com #501H**.

COG OPERATING LLC

By: _____
(signature)

Title: _____

Date: _____

Phone: _____



Sent Via Certified Mail

December 30, 2021

COG OPERATING LLC
550 WEST TEXAS AVENUE
SUITE 1300
MIDLAND, TX 79701

Re: **Jet Federal Com #502H**
Participation Proposal
Eddy County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Jet Federal Com #502H (the "Well") located in Section 33, Township 18 South, Range 31 East, & Section 4, Township 19 South, Range 31 East, Eddy County, New Mexico.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each well is itemized on the enclosed Authority for Expenditures ("AFE") dated December 30, 2021.
 - **Jet Federal Com #502H:** to be drilled from the legal location with a proposed surface hole location in the NE/4NE/4 of Section 33-T18S-R31E and a proposed bottom hole location in the SE/4NE/4 of Section 4-T19S-R31E. The well will have a targeted interval within the Bone Spring Formation and will be drilled horizontally in the Second Bone Spring (~8,750' TVD) interval to a measured depth of approximately 16,650'.

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Legacy is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement ("Operating Agreement"). The Operating Agreement dated January 1, 2022, by and between Legacy Reserves Operating LP, as Operator and various Non-Operators, covers the E/2 of Section 33, Township 18 South, Range 31 East, & the NE/4 of Section 4, Township 19 South, Range 31 East, Eddy County, New Mexico, embracing 480 acres, more or less, with the following general provisions:

- 100%/300%/300% Non-consent penalty;
- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Legacy requests that you indicate your election in the drilling and completion of the Well in the spaces provided below, sign and return one (1) copy of this letter to the undersigned. If your election is to participate in the drilling and completion of the Well, please also sign and return a copy of the enclosed AFE with your participation election.

Please be aware that the enclosed AFE is only an **estimate** of costs to be incurred and by electing to participate in the Well, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Thank you for your consideration of this proposal. **If you are interested in divesting of your interest or if you have any questions, please contact Teri Greer at (432) 689-5246 or tgreer@legacyreserves.com.**

Sincerely,

LEGACY RESERVES OPERATING LP



Brett Willis, CPL
Sr. Landman

Enclosures: (1)

COG OPERATING LLC hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's **Jet Federal Com #502H** well.

_____ Not to participate in the **Jet Federal Com #502H**.

COG OPERATING LLC

By: _____
(signature)

Title: _____

Date: _____

Phone: _____



Sent Via Certified Mail

December 30, 2021

COG OPERATING LLC
550 W. TEXAS AVENUE
SUITE 100
MIDLAND, TX 79701

Re: **Jet Federal Com #601H**
Participation Proposal
Eddy County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Jet Federal Com #601H (the "Well") located in Section 33, Township 18 South, Range 31 East, & Section 4, Township 19 South, Range 31 East, Eddy County, New Mexico.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each well is itemized on the enclosed Authority for Expenditures ("AFE") dated December 30, 2021.
 - **Jet Federal Com #601H:** to be drilled from the legal location with a proposed surface hole location in the NE/4NE/4 of Section 33-T18S-R31E and a proposed bottom hole location in the SW/4NE/4 of Section 4-T19S-R31E. The well will have a targeted interval within the Bone Spring Formation and will be drilled horizontally in the Third Bone Spring (~9,750' TVD) interval to a measured depth of approximately 17,650'.

Legacy reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. Legacy will advise you of any such modifications.

Legacy is proposing to drill the Well under the terms of the modified 1989 AAPL form of Operating Agreement ("Operating Agreement"). The Operating Agreement dated January 1, 2022, by and between Legacy Reserves Operating LP, as Operator and various Non-Operators, covers the E/2 of Section 33, Township 18 South, Range 31 East, & the NE/4 of Section 4, Township 19 South, Range 31 East, Eddy County, New Mexico, embracing 480 acres, more or less, with the following general provisions:

- 100%/300%/300% Non-consent penalty;
- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Legacy requests that you indicate your election in the drilling and completion of the Well in the spaces provided below, sign and return one (1) copy of this letter to the undersigned. If your election is to participate in the drilling and completion of the Well, please also sign and return a copy of the enclosed AFE with your participation election.

Please be aware that the enclosed AFE is only an estimate of costs to be incurred and by electing to participate in the Well, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Thank you for your consideration of this proposal. **If you are interested in divesting of your interest or if you have any questions, please contact Teri Greer at (432) 689-5246 or tgreer@legacyreserves.com.**

Sincerely,

LEGACY RESERVES OPERATING LP



Brett Willis, CPL
Sr. Landman

Enclosures: (1)

CONCHO OIL & GAS LLC hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's **Jet Federal Com #601H** well.

_____ Not to participate in the **Jet Federal Com #601H**.

CONCHO OIL & GAS LLC

By: _____
(signature)

Title: _____

Date: _____

Phone: _____



Sent Via Certified Mail

December 30, 2021

COG OPERATING LLC
550 WEST TEXAS AVENUE
SUITE 1300
MIDLAND, TX 79701

Re: **Jet Federal Com #602H**
Participation Proposal
Eddy County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Jet Federal Com #602H (the "Well") located in Section 33, Township 18 South, Range 31 East, & Section 4, Township 19 South, Range 31 East, Eddy County, New Mexico.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of each well is itemized on the enclosed Authority for Expenditures ("AFE") dated December 30, 2021.
 - **Jet Federal Com #602H:** to be drilled from the legal location with a proposed surface hole location in the NE/4NE/4 of Section 33-T18S-R31E and a proposed bottom hole location in the SE/4NE/4 of Section 4-T19S-R31E. The well will have a targeted interval within the Bone Spring Formation and will be drilled horizontally in the Third Bone Spring (~9,750' TVD) interval to a measured depth of approximately 17,650'.

Legacy reserves the right to modify the locations and drilling plans described above in order to address topography, cultural or environmental concerns, among other reasons. Legacy will advise you of any such modifications.

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- 100%/300%/300% Non-consent penalty;
- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Legacy requests that you indicate your election in the drilling and completion of the Well in the spaces provided below, sign and return one (1) copy of this letter to the undersigned. If your election is to participate in the drilling and completion of the Well, please also sign and return a copy of the enclosed AFE with your participation election. Please be aware that the enclosed AFE is only an **estimate** of costs to be incurred and by electing to participate in the Well, each working interest owner shall be responsible for its proportionate share of all costs incurred.

Legacy Reserves Inc. ■ 15 Smith Road, Suite 3000; Midland, TX 79705 ■ Phone: (432) 689-5200 ■ www.legacyreserves.com

Thank you for your consideration of this proposal. **If you are interested in divesting of your interest or if you have any questions, please contact Teri Greer at (432) 689-5246 or tgreer@legacyreserves.com.**

Sincerely,

LEGACY RESERVES OPERATING LP



Brett Willis, CPL
Sr. Landman

Enclosures: (1)

COG OPERATING LLC hereby elects to:

_____ Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's **Jet Federal Com #602H** well.

_____ Not to participate in the **Jet Federal Com #602H**.

COG OPERATING LLC

By: _____
(signature)

Title: _____

Date: _____

Phone: _____

Legacy Reserves Authorization for Expenditure		
Location: E/2 of Section 33, Township 18 South, Range 31 East, & the NE/4 of Section 4, Township 19 South, Range 31 East, Eddy County, New Mexico	SHL: NE/4NE/4 of Section 33-T18S-R31E BHL: SW/4NE/4 of Section 4-T19S-R31E	
Field:	Estimated start:	
Depth: 8000' TVD / 15900' MD	Estimated completion:	
Property #	Type: Drill & Complete	
Date prepared: 2021-12-30	WI:	
Well name: JET FEDERAL COM 401H	API #:	
Description: Drill and Complete 1.5 Mile 1st Bone Spring Lateral		
Description	Code	Estimated Cost
DRILLING INTANGIBLE COSTS		
IDC-SITE PREP / LOCATION SURVEY	830.050	102,000
IDC-RIG MOVE IN / MOVE OUT	830.060	136,000
IDC-DRILLING RIG	830.070	510,000
IDC- RENTAL / TOOLS-EQUIP	830.100	63,750
IDC-BITS	830.110	85,000
IDC-MUD / CHEMICALS	830.120	195,500
IDC-WATER	830.130	27,200
IDC- DRILLING FLUID DISPOSAL		0
IDC-EQUIPMENT TRANSPORTATION	830.150	8,500
IDC-FORM EVAL/ELEC LOGGING/MUD LOGGING	830.170	25,350
IDC-CEMENTING SERVICES	830.180	212,500
IDC-DIRECTIONAL SERVICES/MWD/GYROS	830.190	267,750
IDC-FISHING SERVICES	830.200	0
IDC-DRILLSTRING INSPECTION	830.230	19,550
IDC-CASING CREWS	830.270	59,500
IDC-CONTRACT LABOR	830.280	110,500
IDC-CAMP EXPENSES	830.300	72,250
IDC-PROFESSIONAL SRVC/CONSULT	830.310	75,650
IDC-WELL CONTROL INSURANCE	830.320	3,400
IDC-DAMAGES	830.380	1,700
IDC-PERMITTING	830.390	0
IDC-FUEL / POWER	830.400	68,000
IDC-COMPANY LABOR/SUPERVISION	830.700	0
IDC-DRILLING OVERHEAD	830.720	4,290
Total Drilling Intangible Costs		2,048,390
DRILLING TANGIBLE COSTS		
TDC-CONDUCTOR	840.100	
TDC-SURFACE CASING	840.110	60,000
TDC-INTERMEDIATE I CASING	840.150	160,000
TDC-INTERMEDIATE II CASING	840.200	
TDC - PRODUCTION CASING/LINER	840.210	297,500
TDC-WELLHEAD EQUIPMENT	840.250	58,000
TDC-MISCELLANEOUS DRLG TANGIBLES	840.500	57,352
DRILLING CONTINGENCIES	840.510	
Total Drilling Tangible Costs		632,852
	PERCENT	
Total Drilling Contingency	10%	268,124
Total Drilling Costs		2,949,366

COMPLETION INTANGIBLE COSTS		
ICC- RENTAL / TOOLS-EQUIP	850.100	255,000
ICC-BITS	850.110	0
ICC-MUD / CHEMICALS	850.120	80,000
ICC-WATER, SWD	850.130	523,478
ICC-EQUIPMENT TRANSPORTATION	850.150	20,000
ICC-LOGGING / PERFORATING / PLUGS	850.170	161,500
ICC-CEMENTING SERVICES	850.180	0
ICC-FISHING SERVICES	850.200	0
ICC-TUBULAR TESTING / INSPECTION	850.230	5,000
ICC-STIMULATION	850.250	1,348,100
ICC-CONTRACT LABOR	850.280	191,250
ICC-PROFESSIONAL SRVC/CONSULT	850.310	114,750
ICC-PULLING UNIT / CTU	850.400	300,000
ICC-COMPANY LABOR/SUPERVISION	850.700	15,000
ICC-COMPLETION OVERHEAD	850.720	10,000
Total Completion Intangible Costs		3,024,078
COMPLETION TANGIBLE COSTS		
TSS-PACKERS & SUBSURFACE EQUIP	860.120	30,000
TSS-PRODUCTION TUBING	860.160	59,162
TSS-DOWNHOLE ARTIFICIAL LIFT & RODS	860.180	53,784
TSS-MISCELLANEOUS TSS	860.500	14,900
Total Completion Tangible Costs		157,846
	PERCENT	
Total Completion Contingency	10%	318,192
Total Completion Costs		3,500,117
SURFACE AND FACILITIES		
TS-PUMPING UNIT	870.100	0
TS-INSTALLATION & CONTRACT LABOR	870.170	200,000
TS-ELECTRICAL SVCS & EQUIPMENT	870.470	38,363
TS-FLOWLINES	870.530	30,000
TS-MISCELLANEOUS	870.900	72,200
TS-DIRTWORK	850.050	25,000
TS-DAMAGES	850.380	2,000
TS-FITTINGS & SUPPLIES	870.140	61,667
TS-STORAGE TANKS	870.200	116,667
TS-MATLS:PUMPS/LINEPIPE	870.210	13,333
TS-SEPARATORS & HEATER TREATERS	870.220	56,667
TS-COMPRESSOR, DEHYDRATOR, VRU	870.230	140,000
TS-METERING EQUIP & LACT UNIT	870.240	75,000
TS-CONSTRUCTION OVERHEAD	870.720	5,000
	PERCENT	
Surface and Facilities Contingency	10%	83,590
Total Surface and Facilities Costs		919,487
TOTAL CONTINGENCIES	850.350	669,906
TOTAL WELL COST		7,368,970
COMPANY APPROVALS		
TITLE	SIGNATURE	
DRILLING MANAGER:		
PERMIAN BUSINESS MANAGER:		
OPERATIONS EVP		
CEO		
PARTNER APPROVAL		
COMPANY NAME		
NAME		
TITLE		
SIGNATURE		

Legacy Reserves Authorization for Expenditure		
Location: E/2 of Section 33, Township 18 South, Range 31 East, & the NE/4 of Section 4, Township 19 South, Range 31 East, Eddy County, New Mexico	SHL: NE/4NE/4 of Section 33-T18S-R31E BHL: SE/4NE/4 of Section 4-T19S-R31E	
Field:	Estimated start:	
Depth: 8000' TVD / 15900' MD	Estimated completion:	
Property #	Type: Drill & Complete	
Date prepared: 2021-12-30	WI:	
Well name: JET FEDERAL COM 402H	API #:	
Description: Drill and Complete 1.5 Mile 1st Bone Spring Lateral		
Description	Code	Estimated Cost
DRILLING INTANGIBLE COSTS		
IDC-SITE PREP / LOCATION SURVEY	830.050	102,000
IDC-RIG MOVE IN / MOVE OUT	830.060	136,000
IDC-DRILLING RIG	830.070	510,000
IDC- RENTAL / TOOLS-EQUIP	830.100	63,750
IDC-BITS	830.110	85,000
IDC-MUD / CHEMICALS	830.120	195,500
IDC-WATER	830.130	27,200
IDC- DRILLING FLUID DISPOSAL		0
IDC-EQUIPMENT TRANSPORTATION	830.150	8,500
IDC-FORM EVAL/ELEC LOGGING/MUD LOGGING	830.170	25,350
IDC-CEMENTING SERVICES	830.180	212,500
IDC-DIRECTIONAL SERVICES/MWD/GYROS	830.190	267,750
IDC-FISHING SERVICES	830.200	0
IDC-DRILLSTRING INSPECTION	830.230	19,550
IDC-CASING CREWS	830.270	59,500
IDC-CONTRACT LABOR	830.280	110,500
IDC-CAMP EXPENSES	830.300	72,250
IDC-PROFESSIONAL SRVC/CONSULT	830.310	75,650
IDC-WELL CONTROL INSURANCE	830.320	3,400
IDC-DAMAGES	830.380	1,700
IDC-PERMITTING	830.390	0
IDC-FUEL / POWER	830.400	68,000
IDC-COMPANY LABOR/SUPERVISION	830.700	0
IDC-DRILLING OVERHEAD	830.720	4,290
Total Drilling Intangible Costs		2,048,390
DRILLING TANGIBLE COSTS		
TDC-CONDUCTOR	840.100	
TDC-SURFACE CASING	840.110	60,000
TDC-INTERMEDIATE I CASING	840.150	160,000
TDC-INTERMEDIATE II CASING	840.200	
TDC - PRODUCTION CASING/LINER	840.210	297,500
TDC-WELLHEAD EQUIPMENT	840.250	58,000
TDC-MISCELLANEOUS DRLG TANGIBLES	840.500	57,352
DRILLING CONTINGENCIES	840.510	
Total Drilling Tangible Costs		632,852
	PERCENT	
Total Drilling Contingency	10%	268,124
Total Drilling Costs		2,949,366

COMPLETION INTANGIBLE COSTS		
ICC- RENTAL / TOOLS-EQUIP	850.100	255,000
ICC-BITS	850.110	0
ICC-MUD / CHEMICALS	850.120	80,000
ICC-WATER, SWD	850.130	523,478
ICC-EQUIPMENT TRANSPORTATION	850.150	20,000
ICC-LOGGING / PERFORATING / PLUGS	850.170	161,500
ICC-CEMENTING SERVICES	850.180	0
ICC-FISHING SERVICES	850.200	0
ICC-TUBULAR TESTING / INSPECTION	850.230	5,000
ICC-STIMULATION	850.250	1,348,100
ICC-CONTRACT LABOR	850.280	191,250
ICC-PROFESSIONAL SRVC/CONSULT	850.310	114,750
ICC-PULLING UNIT / CTU	850.400	300,000
ICC-COMPANY LABOR/SUPERVISION	850.700	15,000
ICC-COMPLETION OVERHEAD	850.720	10,000
Total Completion Intangible Costs		3,024,078
COMPLETION TANGIBLE COSTS		
TSS-PACKERS & SUBSURFACE EQUIP	860.120	30,000
TSS-PRODUCTION TUBING	860.160	59,162
TSS-DOWNHOLE ARTIFICIAL LIFT & RODS	860.180	53,784
TSS-MISCELLANEOUS TSS	860.500	14,900
Total Completion Tangible Costs		157,846
	PERCENT	
Total Completion Contingency	10%	318,192
Total Completion Costs		3,500,117
SURFACE AND FACILITIES		
TS-PUMPING UNIT	870.100	0
TS-INSTALLATION & CONTRACT LABOR	870.170	200,000
TS-ELECTRICAL SVCS & EQUIPMENT	870.470	38,363
TS-FLOWLINES	870.530	30,000
TS-MISCELLANEOUS	870.900	72,200
TS-DIRTWORK	850.050	25,000
TS-DAMAGES	850.380	2,000
TS-FITTINGS & SUPPLIES	870.140	61,667
TS-STORAGE TANKS	870.200	116,667
TS-MATLS:PUMPS/LINEPIPE	870.210	13,333
TS-SEPARATORS & HEATER TREATERS	870.220	56,667
TS-COMPRESSOR, DEHYDRATOR, VRU	870.230	140,000
TS-METERING EQUIP & LACT UNIT	870.240	75,000
TS-CONSTRUCTION OVERHEAD	870.720	5,000
	PERCENT	
Surface and Facilities Contingency	10%	83,590
Total Surface and Facilities Costs		919,487
TOTAL CONTINGENCIES	850.350	669,906
TOTAL WELL COST		7,368,970
COMPANY APPROVALS		
TITLE	SIGNATURE	
DRILLING MANAGER:		
PERMIAN BUSINESS MANAGER:		
OPERATIONS EVP		
CEO		
PARTNER APPROVAL		
COMPANY NAME		
NAME		
TITLE		
SIGNATURE		

Legacy Reserves Authorization for Expenditure		
Location: E/2 of Section 33, Township 18 South, Range 31 East, & the NE/4 of Section 4, Township 19 South, Range 31 East, Eddy County, New Mexico	SHL: NE/4NE/4 of Section 33-T18S-R31E BHL: SE/4NE/4 of Section 4-T19S-R31E	
Field:	Estimated start:	
Depth: 8750' TVD / 16650' MD	Estimated completion:	
Property #	Type: Drill & Complete	
Date prepared: 2021-12-30	WI:	
Well name: JET FEDERAL COM 502H	API #:	
Description: Drill and Complete 1.5 Mile 2nd Bone Spring Lateral		
Description	Code	Estimated Cost
DRILLING INTANGIBLE COSTS		
IDC-SITE PREP / LOCATION SURVEY	830.050	102,000
IDC-RIG MOVE IN / MOVE OUT	830.060	136,000
IDC-DRILLING RIG	830.070	561,000
IDC- RENTAL / TOOLS-EQUIP	830.100	70,125
IDC-BITS	830.110	93,500
IDC-MUD / CHEMICALS	830.120	215,050
IDC-WATER	830.130	29,920
IDC- DRILLING FLUID DISPOSAL		0
IDC-EQUIPMENT TRANSPORTATION	830.150	8,500
IDC-FORM EVAL/ELEC LOGGING/MUD LOGGING	830.170	25,350
IDC-CEMENTING SERVICES	830.180	233,750
IDC-DIRECTIONAL SERVICES/MWD/GYROS	830.190	294,525
IDC-FISHING SERVICES	830.200	0
IDC-DRILLSTRING INSPECTION	830.230	21,505
IDC-CASING CREWS	830.270	65,450
IDC-CONTRACT LABOR	830.280	121,550
IDC-CAMP EXPENSES	830.300	79,475
IDC-PROFESSIONAL SRVC/CONSULT	830.310	83,215
IDC-WELL CONTROL INSURANCE	830.320	3,400
IDC-DAMAGES	830.380	1,700
IDC-PERMITTING	830.390	0
IDC-FUEL / POWER	830.400	74,800
IDC-COMPANY LABOR/SUPERVISION	830.700	0
IDC-DRILLING OVERHEAD	830.720	4,719
Total Drilling Intangible Costs		2,225,534
DRILLING TANGIBLE COSTS		
TDC-CONDUCTOR	840.100	
TDC-SURFACE CASING	840.110	60,000
TDC-INTERMEDIATE I CASING	840.150	180,000
TDC-INTERMEDIATE II CASING	840.200	
TDC - PRODUCTION CASING/LINER	840.210	297,500
TDC-WELLHEAD EQUIPMENT	840.250	58,000
TDC-MISCELLANEOUS DRLG TANGIBLES	840.500	57,352
DRILLING CONTINGENCIES	840.510	
Total Drilling Tangible Costs		652,852
	PERCENT	
Total Drilling Contingency	10%	287,839
Total Drilling Costs		3,166,225

COMPLETION INTANGIBLE COSTS		
ICC- RENTAL / TOOLS-EQUIP	850.100	255,000
ICC-BITS	850.110	0
ICC-MUD / CHEMICALS	850.120	80,000
ICC-WATER, SWD	850.130	523,478
ICC-EQUIPMENT TRANSPORTATION	850.150	20,000
ICC-LOGGING / PERFORATING / PLUGS	850.170	161,500
ICC-CEMENTING SERVICES	850.180	0
ICC-FISHING SERVICES	850.200	0
ICC-TUBULAR TESTING / INSPECTION	850.230	5,000
ICC-STIMULATION	850.250	1,348,100
ICC-CONTRACT LABOR	850.280	191,250
ICC-PROFESSIONAL SRVC/CONSULT	850.310	114,750
ICC-PULLING UNIT / CTU	850.400	300,000
ICC-COMPANY LABOR/SUPERVISION	850.700	15,000
ICC-COMPLETION OVERHEAD	850.720	10,000
Total Completion Intangible Costs		3,024,078
COMPLETION TANGIBLE COSTS		
TSS-PACKERS & SUBSURFACE EQUIP	860.120	30,000
TSS-PRODUCTION TUBING	860.160	59,162
TSS-DOWNHOLE ARTIFICIAL LIFT & RODS	860.180	53,784
TSS-MISCELLANEOUS TSS	860.500	14,900
Total Completion Tangible Costs		157,846
	PERCENT	
Total Completion Contingency	10%	318,192
Total Completion Costs		3,500,117
SURFACE AND FACILITIES		
TS-PUMPING UNIT	870.100	0
TS-INSTALLATION & CONTRACT LABOR	870.170	200,000
TS-ELECTRICAL SVCS & EQUIPMENT	870.470	38,363
TS-FLOWLINES	870.530	30,000
TS-MISCELLANEOUS	870.900	72,200
TS-DIRTWORK	850.050	25,000
TS-DAMAGES	850.380	2,000
TS-FITTINGS & SUPPLIES	870.140	61,667
TS-STORAGE TANKS	870.200	116,667
TS-MATLS:PUMPS/LINEPIPE	870.210	13,333
TS-SEPARATORS & HEATER TREATERS	870.220	56,667
TS-COMPRESSOR, DEHYDRATOR, VRU	870.230	140,000
TS-METERING EQUIP & LACT UNIT	870.240	75,000
TS-CONSTRUCTION OVERHEAD	870.720	5,000
	PERCENT	
Surface and Facilities Contingency	10%	83,590
Total Surface and Facilities Costs		919,487
TOTAL CONTINGENCIES	850.350	689,621
TOTAL WELL COST		7,585,828
COMPANY APPROVALS		
TITLE	SIGNATURE	
DRILLING MANAGER:		
PERMIAN BUSINESS MANAGER:		
OPERATIONS EVP		
CEO		
PARTNER APPROVAL		
COMPANY NAME		
NAME		
TITLE		
SIGNATURE		

Legacy Reserves Authorization for Expenditure		
Location: E/2 of Section 33, Township 18 South, Range 31 East, & the NE/4 of Section 4, Township 19 South, Range 31 East, Eddy County, New Mexico	SHL: NE/4NE/4 of Section 33-T18S-R31E BHL: SW/4NE/4 of Section 4-T19S-R31E	
Field:	Estimated start:	
Depth: 9750' TVD / 17650' MD	Estimated completion:	
Property #	Type: Drill & Complete	
Date prepared: 2021-12-30	WI:	
Well name: JET FEDERAL COM 601H	API #:	
Description: Drill and Complete 1.5 Mile 3rd Bone Spring Lateral		
Description	Code	Estimated Cost
DRILLING INTANGIBLE COSTS		
IDC-SITE PREP / LOCATION SURVEY	830.050	102,000
IDC-RIG MOVE IN / MOVE OUT	830.060	136,000
IDC-DRILLING RIG	830.070	617,100
IDC- RENTAL / TOOLS-EQUIP	830.100	77,138
IDC-BITS	830.110	102,850
IDC-MUD / CHEMICALS	830.120	236,555
IDC-WATER	830.130	32,912
IDC- DRILLING FLUID DISPOSAL		0
IDC-EQUIPMENT TRANSPORTATION	830.150	8,500
IDC-FORM EVAL/ELEC LOGGING/MUD LOGGING	830.170	25,350
IDC-CEMENTING SERVICES	830.180	257,125
IDC-DIRECTIONAL SERVICES/MWD/GYROS	830.190	323,978
IDC-FISHING SERVICES	830.200	0
IDC-DRILLSTRING INSPECTION	830.230	23,656
IDC-CASING CREWS	830.270	71,995
IDC-CONTRACT LABOR	830.280	133,705
IDC-CAMP EXPENSES	830.300	87,423
IDC-PROFESSIONAL SRVC/CONSULT	830.310	91,537
IDC-WELL CONTROL INSURANCE	830.320	3,400
IDC-DAMAGES	830.380	1,700
IDC-PERMITTING	830.390	0
IDC-FUEL / POWER	830.400	82,280
IDC-COMPANY LABOR/SUPERVISION	830.700	0
IDC-DRILLING OVERHEAD	830.720	5,191
Total Drilling Intangible Costs		2,420,392
DRILLING TANGIBLE COSTS		
TDC-CONDUCTOR	840.100	
TDC-SURFACE CASING	840.110	60,000
TDC-INTERMEDIATE I CASING	840.150	200,000
TDC-INTERMEDIATE II CASING	840.200	
TDC - PRODUCTION CASING/LINER	840.210	297,500
TDC-WELLHEAD EQUIPMENT	840.250	58,000
TDC-MISCELLANEOUS DRLG TANGIBLES	840.500	57,352
DRILLING CONTINGENCIES	840.510	
Total Drilling Tangible Costs		672,852
	PERCENT	
Total Drilling Contingency	10%	309,324
Total Drilling Costs		3,402,569

COMPLETION INTANGIBLE COSTS		
ICC- RENTAL / TOOLS-EQUIP	850.100	255,000
ICC-BITS	850.110	0
ICC-MUD / CHEMICALS	850.120	80,000
ICC-WATER, SWD	850.130	523,478
ICC-EQUIPMENT TRANSPORTATION	850.150	20,000
ICC-LOGGING / PERFORATING / PLUGS	850.170	161,500
ICC-CEMENTING SERVICES	850.180	0
ICC-FISHING SERVICES	850.200	0
ICC-TUBULAR TESTING / INSPECTION	850.230	5,000
ICC-STIMULATION	850.250	1,348,100
ICC-CONTRACT LABOR	850.280	191,250
ICC-PROFESSIONAL SRVC/CONSULT	850.310	114,750
ICC-PULLING UNIT / CTU	850.400	300,000
ICC-COMPANY LABOR/SUPERVISION	850.700	15,000
ICC-COMPLETION OVERHEAD	850.720	10,000
Total Completion Intangible Costs		3,024,078
COMPLETION TANGIBLE COSTS		
TSS-PACKERS & SUBSURFACE EQUIP	860.120	30,000
TSS-PRODUCTION TUBING	860.160	59,162
TSS-DOWNHOLE ARTIFICIAL LIFT & RODS	860.180	53,784
TSS-MISCELLANEOUS TSS	860.500	14,900
Total Completion Tangible Costs		157,846
	PERCENT	
Total Completion Contingency	10%	318,192
Total Completion Costs		3,500,117
SURFACE AND FACILITIES		
TS-PUMPING UNIT	870.100	0
TS-INSTALLATION & CONTRACT LABOR	870.170	200,000
TS-ELECTRICAL SVCS & EQUIPMENT	870.470	38,363
TS-FLOWLINES	870.530	30,000
TS-MISCELLANEOUS	870.900	72,200
TS-DIRTWORK	850.050	25,000
TS-DAMAGES	850.380	2,000
TS-FITTINGS & SUPPLIES	870.140	61,667
TS-STORAGE TANKS	870.200	116,667
TS-MATLS:PUMPS/LINEPIPE	870.210	13,333
TS-SEPARATORS & HEATER TREATERS	870.220	56,667
TS-COMPRESSOR, DEHYDRATOR, VRU	870.230	140,000
TS-METERING EQUIP & LACT UNIT	870.240	75,000
TS-CONSTRUCTION OVERHEAD	870.720	5,000
	PERCENT	
Surface and Facilities Contingency	10%	83,590
Total Surface and Facilities Costs		919,487
TOTAL CONTINGENCIES	850.350	711,107
TOTAL WELL COST		7,822,172
COMPANY APPROVALS		
TITLE	SIGNATURE	
DRILLING MANAGER:		
PERMIAN BUSINESS MANAGER:		
OPERATIONS EVP		
CEO		
PARTNER APPROVAL		
COMPANY NAME		
NAME		
TITLE		
SIGNATURE		

Legacy Reserves Authorization for Expenditure		
Location: E/2 of Section 33, Township 18 South, Range 31 East, & the NE/4 of Section 4, Township 19 South, Range 31 East, Eddy County, New Mexico	SHL: NE/4NE/4 of Section 33-T18S-R31E BHL: SE/4NE/4 of Section 4-T19S-R31E	
Field:	Estimated start:	
Depth: 9750' TVD / 17650' MD	Estimated completion:	
Property #	Type: Drill & Complete	
Date prepared: 2021-12-30	WI:	
Well name: JET FEDERAL COM 602H	API #:	
Description: Drill and Complete 1.5 Mile 3rd Bone Spring Lateral		
Description	Code	Estimated Cost
DRILLING INTANGIBLE COSTS		
IDC-SITE PREP / LOCATION SURVEY	830.050	102,000
IDC-RIG MOVE IN / MOVE OUT	830.060	136,000
IDC-DRILLING RIG	830.070	617,100
IDC- RENTAL / TOOLS-EQUIP	830.100	77,138
IDC-BITS	830.110	102,850
IDC-MUD / CHEMICALS	830.120	236,555
IDC-WATER	830.130	32,912
IDC- DRILLING FLUID DISPOSAL		0
IDC-EQUIPMENT TRANSPORTATION	830.150	8,500
IDC-FORM EVAL/ELEC LOGGING/MUD LOGGING	830.170	25,350
IDC-CEMENTING SERVICES	830.180	257,125
IDC-DIRECTIONAL SERVICES/MWD/GYROS	830.190	323,978
IDC-FISHING SERVICES	830.200	0
IDC-DRILLSTRING INSPECTION	830.230	23,656
IDC-CASING CREWS	830.270	71,995
IDC-CONTRACT LABOR	830.280	133,705
IDC-CAMP EXPENSES	830.300	87,423
IDC-PROFESSIONAL SRVC/CONSULT	830.310	91,537
IDC-WELL CONTROL INSURANCE	830.320	3,400
IDC-DAMAGES	830.380	1,700
IDC-PERMITTING	830.390	0
IDC-FUEL / POWER	830.400	82,280
IDC-COMPANY LABOR/SUPERVISION	830.700	0
IDC-DRILLING OVERHEAD	830.720	5,191
Total Drilling Intangible Costs		2,420,392
DRILLING TANGIBLE COSTS		
TDC-CONDUCTOR	840.100	
TDC-SURFACE CASING	840.110	60,000
TDC-INTERMEDIATE I CASING	840.150	200,000
TDC-INTERMEDIATE II CASING	840.200	
TDC - PRODUCTION CASING/LINER	840.210	297,500
TDC-WELLHEAD EQUIPMENT	840.250	58,000
TDC-MISCELLANEOUS DRLG TANGIBLES	840.500	57,352
DRILLING CONTINGENCIES	840.510	
Total Drilling Tangible Costs		672,852
	PERCENT	
Total Drilling Contingency	10%	309,324
Total Drilling Costs		3,402,569

COMPLETION INTANGIBLE COSTS		
ICC- RENTAL / TOOLS-EQUIP	850.100	255,000
ICC-BITS	850.110	0
ICC-MUD / CHEMICALS	850.120	80,000
ICC-WATER, SWD	850.130	523,478
ICC-EQUIPMENT TRANSPORTATION	850.150	20,000
ICC-LOGGING / PERFORATING / PLUGS	850.170	161,500
ICC-CEMENTING SERVICES	850.180	0
ICC-FISHING SERVICES	850.200	0
ICC-TUBULAR TESTING / INSPECTION	850.230	5,000
ICC-STIMULATION	850.250	1,348,100
ICC-CONTRACT LABOR	850.280	191,250
ICC-PROFESSIONAL SRVC/CONSULT	850.310	114,750
ICC-PULLING UNIT / CTU	850.400	300,000
ICC-COMPANY LABOR/SUPERVISION	850.700	15,000
ICC-COMPLETION OVERHEAD	850.720	10,000
Total Completion Intangible Costs		3,024,078
COMPLETION TANGIBLE COSTS		
TSS-PACKERS & SUBSURFACE EQUIP	860.120	30,000
TSS-PRODUCTION TUBING	860.160	59,162
TSS-DOWNHOLE ARTIFICIAL LIFT & RODS	860.180	53,784
TSS-MISCELLANEOUS TSS	860.500	14,900
Total Completion Tangible Costs		157,846
	PERCENT	
Total Completion Contingency	10%	318,192
Total Completion Costs		3,500,117
SURFACE AND FACILITIES		
TS-PUMPING UNIT	870.100	0
TS-INSTALLATION & CONTRACT LABOR	870.170	200,000
TS-ELECTRICAL SVCS & EQUIPMENT	870.470	38,363
TS-FLOWLINES	870.530	30,000
TS-MISCELLANEOUS	870.900	72,200
TS-DIRTWORK	850.050	25,000
TS-DAMAGES	850.380	2,000
TS-FITTINGS & SUPPLIES	870.140	61,667
TS-STORAGE TANKS	870.200	116,667
TS-MATLS:PUMPS/LINEPIPE	870.210	13,333
TS-SEPARATORS & HEATER TREATERS	870.220	56,667
TS-COMPRESSOR, DEHYDRATOR, VRU	870.230	140,000
TS-METERING EQUIP & LACT UNIT	870.240	75,000
TS-CONSTRUCTION OVERHEAD	870.720	5,000
	PERCENT	
Surface and Facilities Contingency	10%	83,590
Total Surface and Facilities Costs		919,487
TOTAL CONTINGENCIES	850.350	711,107
TOTAL WELL COST		7,822,172
COMPANY APPROVALS		
TITLE	SIGNATURE	
DRILLING MANAGER:		
PERMIAN BUSINESS MANAGER:		
OPERATIONS EVP		
CEO		
PARTNER APPROVAL		
COMPANY NAME		
NAME		
TITLE		
SIGNATURE		

Legacy Reserves Authorization for Expenditure		
Location: E/2 of Section 33, Township 18 South, Range 31 East, & the NE/4 of Section 4, Township 19 South, Range 31 East, Eddy County, New Mexico	SHL: NE/4NE/4 of Section 33-T18S-R31E BHL: SW/4NE/4 of Section 4-T19S-R31E	
Field:	Estimated start:	
Depth: 8750' TVD / 16650' MD	Estimated completion:	
Property #	Type: Drill & Complete	
Date prepared: 2021-12-30	WI:	
Well name: JET FEDERAL COM 501H	API #:	
Description: Drill and Complete 1.5 Mile 2nd Bone Spring Lateral		
Description	Code	Estimated Cost
DRILLING INTANGIBLE COSTS		
IDC-SITE PREP / LOCATION SURVEY	830.050	102,000
IDC-RIG MOVE IN / MOVE OUT	830.060	136,000
IDC-DRILLING RIG	830.070	561,000
IDC- RENTAL / TOOLS-EQUIP	830.100	70,125
IDC-BITS	830.110	93,500
IDC-MUD / CHEMICALS	830.120	215,050
IDC-WATER	830.130	29,920
IDC- DRILLING FLUID DISPOSAL		0
IDC-EQUIPMENT TRANSPORTATION	830.150	8,500
IDC-FORM EVAL/ELEC LOGGING/MUD LOGGING	830.170	25,350
IDC-CEMENTING SERVICES	830.180	233,750
IDC-DIRECTIONAL SERVICES/MWD/GYROS	830.190	294,525
IDC-FISHING SERVICES	830.200	0
IDC-DRILLSTRING INSPECTION	830.230	21,505
IDC-CASING CREWS	830.270	65,450
IDC-CONTRACT LABOR	830.280	121,550
IDC-CAMP EXPENSES	830.300	79,475
IDC-PROFESSIONAL SRVC/CONSULT	830.310	83,215
IDC-WELL CONTROL INSURANCE	830.320	3,400
IDC-DAMAGES	830.380	1,700
IDC-PERMITTING	830.390	0
IDC-FUEL / POWER	830.400	74,800
IDC-COMPANY LABOR/SUPERVISION	830.700	0
IDC-DRILLING OVERHEAD	830.720	4,719
Total Drilling Intangible Costs		2,225,534
DRILLING TANGIBLE COSTS		
TDC-CONDUCTOR	840.100	
TDC-SURFACE CASING	840.110	60,000
TDC-INTERMEDIATE I CASING	840.150	180,000
TDC-INTERMEDIATE II CASING	840.200	
TDC - PRODUCTION CASING/LINER	840.210	297,500
TDC-WELLHEAD EQUIPMENT	840.250	58,000
TDC-MISCELLANEOUS DRLG TANGIBLES	840.500	57,352
DRILLING CONTINGENCIES	840.510	
Total Drilling Tangible Costs		652,852
	PERCENT	
Total Drilling Contingency	10%	287,839
Total Drilling Costs		3,166,225

COMPLETION INTANGIBLE COSTS		
ICC- RENTAL / TOOLS-EQUIP	850.100	255,000
ICC-BITS	850.110	0
ICC-MUD / CHEMICALS	850.120	80,000
ICC-WATER, SWD	850.130	523,478
ICC-EQUIPMENT TRANSPORTATION	850.150	20,000
ICC-LOGGING / PERFORATING / PLUGS	850.170	161,500
ICC-CEMENTING SERVICES	850.180	0
ICC-FISHING SERVICES	850.200	0
ICC-TUBULAR TESTING / INSPECTION	850.230	5,000
ICC-STIMULATION	850.250	1,348,100
ICC-CONTRACT LABOR	850.280	191,250
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ICC-COMPANY LABOR/SUPERVISION	850.700	15,000
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TS-MISCELLANEOUS	870.900	72,200
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TS-METERING EQUIP & LACT UNIT	870.240	75,000
TS-CONSTRUCTION OVERHEAD	870.720	5,000
	PERCENT	
Surface and Facilities Contingency	10%	83,590
Total Surface and Facilities Costs		919,487
TOTAL CONTINGENCIES	850.350	689,621
TOTAL WELL COST		7,585,828
COMPANY APPROVALS		
TITLE	SIGNATURE	
DRILLING MANAGER:		
PERMIAN BUSINESS MANAGER:		
OPERATIONS EVP		
CEO		
PARTNER APPROVAL		
COMPANY NAME		
NAME		
TITLE		
SIGNATURE		

Legacy Reserves Operating LP - Chronology of Contact

April 11: Called Jennifer Midkiff (Sr. Land Negotiator, Concho) to inquire as to whether or not they were going to participate in the Jet Unit well proposals. I did not connect with Ms. Midkiff on the phone and left a voice mail. We have not yet received a response from Ms. Midkiff.

April 25: Called Justin Wray (Sr. Land Negotiator, Concho) to make an offer to purchase of their interest in the Jet Unit. I did not connect with Mr. Wray on the phone and left a voice mail. We have not yet received a response from Mr. Wray.

May 11: Called Justin Williams (Land Manager, Concho) to make an offer to purchase of their interest in the Jet Unit. I did not connect with Mr. Williams on the phone and left a voice mail. We have not yet received a response from Mr. Williams.

**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATIONS OF LEGACY RESERVES
OPERATING LP FOR A HORIZONTAL SPACING
UNIT AND COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO**

Case No. 22701

AFFIDAVIT OF JOHN STEWART

John Stewart, being first duly sworn upon oath, deposes and states as follows:

1. My name is John Stewart, and I am employed by Legacy Reserves Operating LP (“Legacy”) as a Senior Geologist.
2. I have not previously testified before the New Mexico Oil Conservation Division (“Division”). I have fifteen plus years of experience in petroleum geological matters, and I am familiar with the subject applications and the geology involved. I ask that the Division accept my credentials as those of an expert witness in petroleum geological matters and made a matter of record.
 - a. I have a Bachelor of Science Degree in Geology from The University of Texas of the Permian Basin and a Master of Science Degree in Geology from The University of Texas of the Permian Basin.
 - b. I have worked in matters of petroleum geology since 2006, which includes experience in the Permian Basin.
3. I am submitting this affidavit in support of Legacy’s applications in the above-referenced cases pursuant to 19.15.4.12. (A)(1) NMAC.

4. **Legacy Exhibits D-1, D-4, and D-7** are base maps of the lands showing the proposed Bone Spring formation spacing units and wells.

5. **Legacy Exhibits D-2, D-5, and D-8** are structure maps showing the depth (subsea) to the top of the 1st, 2nd, and 3rd Bone Spring formations, a marker that defines the top of the target interval for the proposed well(s). Contour interval of 25'. The units being pooled are outlined in bold, and the proposed wells are identified. The structure map shows regional down-dip to the southeast. I do not observe any faulting, pinch outs, or other geologic impediments to developing this target interval.

6. **Legacy Exhibits D-3, D-6, and D-9** are stratigraphic cross-sections flattened on the top of the 1st, 2nd, and 3rd Bone Spring formations. Each well in the cross-section contains a gamma ray, resistivity, and porosity log. The cross-section demonstrates continuity and consistent thickness across the target zone, and the well logs on the cross-section give a representative sample of the target Bone Spring Sand. The landing zone is highlighted on the exhibit.

7. Based on the attached exhibits, I hereby conclude as follows:

- a. The target formation is present and continuous throughout the lands subject to the applications.
- b. The horizontal spacing and proration unit is justified from a geologic standpoint.
- c. There are no structural impediments or faulting that will interfere with horizontal development.
- d. Each quarter-quarter section in the unit will contribute more or less equally to production, and I can confirm each quarter section along the lateral will also contribute more or less equally to production.


e. To best accommodate our development, a North-South well orientation was chosen. The wells will run sub-perpendicular to the inferred orientation of the maximum horizontal stress.

8. **Exhibit D-1** through **Exhibit D-9** were prepared by me or compiled from Legacy's company business records under my direct supervision.

9. The granting of these applications is in the best interest of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells.

10. I hereby swear that to the best of my knowledge and belief, all of the matters set forth herein and in the exhibits are true, correct, and accurate.

[Remainder of page left intentionally blank]


John Stewart
Legacy Reserves Operating LP

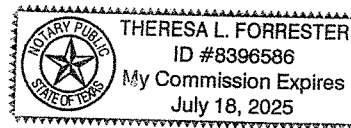
STATE OF TEXAS)
) ss.
CITY AND COUNTY OF MIDLAND)

The foregoing instrument was subscribed and sworn to before me this 1st day of June, 2022, by John Stewart, Senior Geologist for Legacy Reserves Operating LP.

Witness my hand and official seal.

My commission expires: July 18, 2025

Theresa X. Torrentes



Basic Exhibits



Jet Base Map Exhibit D-1



Base Map with Line of Section
A - A'



1st BSS Horizontal Wells



Horizontal Locations:

Jet Fed Com #401H

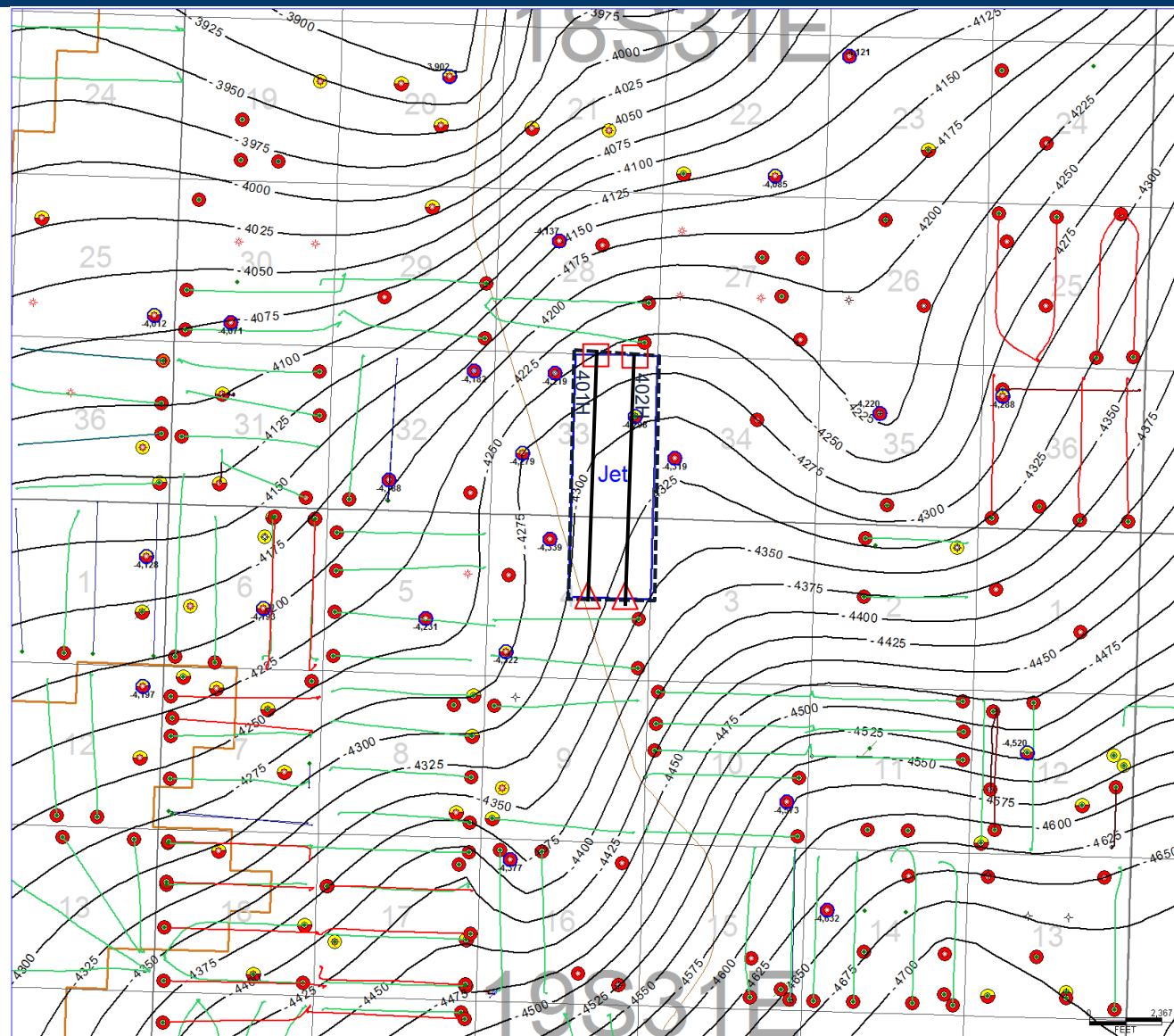
Jet Fed Com #402H

— Potash District

Only wells >9500'
shown.



Jet Structure Map Exhibit D-2



1st BSS Structure Map
CI=25 Feet

1st BSS Horizontal Wells

○ Control Points

△ BHL

□ FTP

Horizontal Locations:

Jet Fed Com #401H

Jet Fed Com #402H

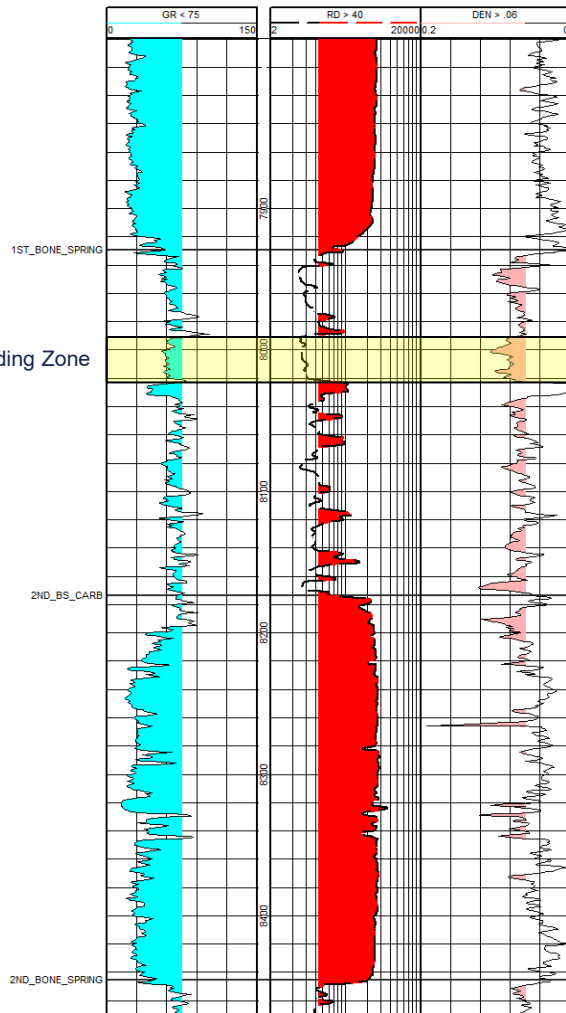
Potash District

Only wells >9500'
shown.

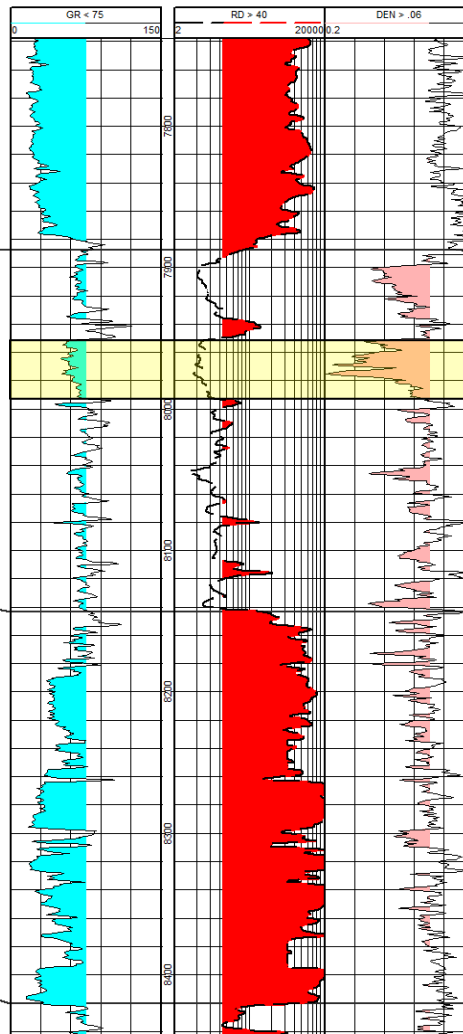
Jet Stratigraphic Cross Section Exhibit D-3

A

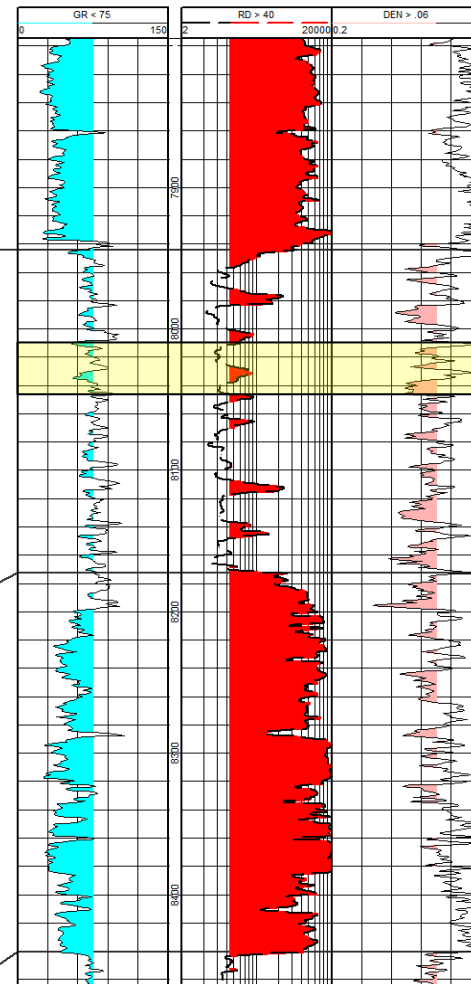
1 ☀
KOEHANE FEDERAL
30015224090000



1 ☀
BLIND SQUIRREL FEDERAL
30015336720000



001 ☀
SOUTH SHUGART DEEP UNIT
30015239380000



A'

Jet Base Map Exhibit D-4



Base Map with Line of Section
A - A'



2nd BSS Horizontal Wells



Horizontal Locations:

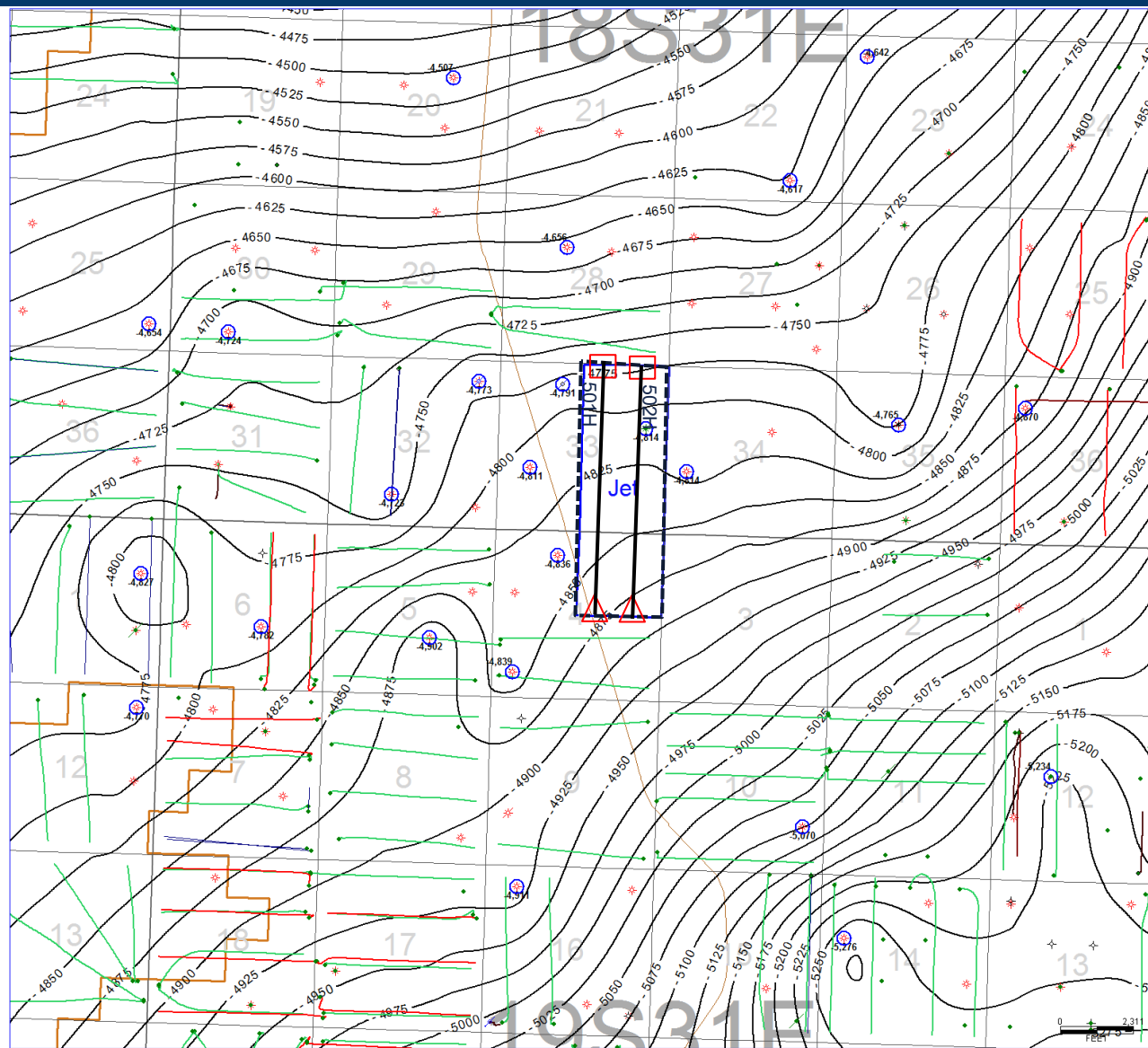
Jet Fed Com #501H

Jet Fed Com #502H

— Potash District

Only wells >9500'
shown.

Jet Structure Map Exhibit D-5



2nd BSS Structure Map
CI=25 Feet

2nd BSS Horizontal Wells

○ Control Points

△ BHL

□ FTP

Horizontal Locations:

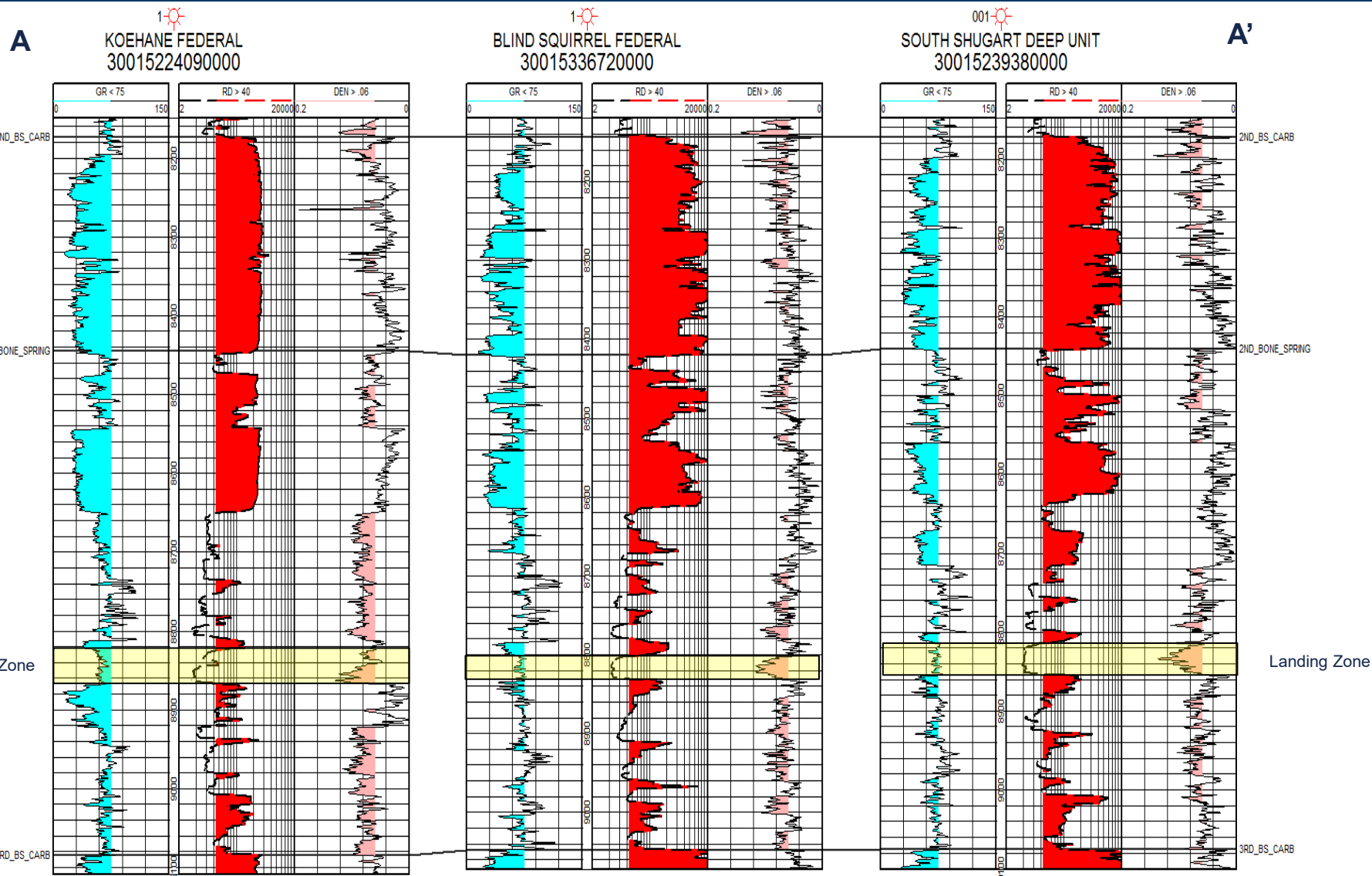
Jet Fed Com #501H

Jet Fed Com #502H

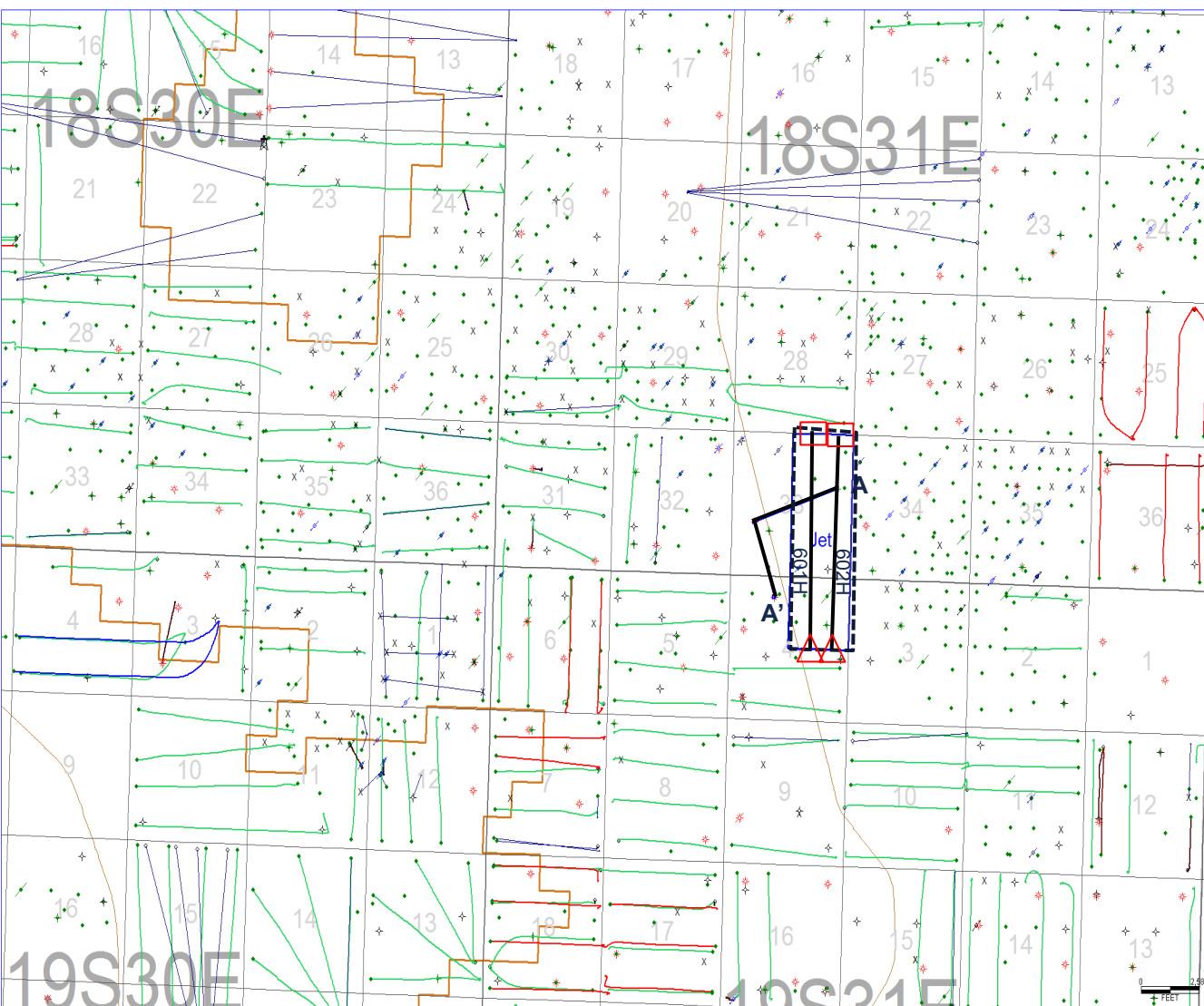
— Potash District

Only wells >9500'
shown.

Jet Stratigraphic Cross Section Exhibit D-6



Jet Base Map Exhibit D-7



Base Map with Line of Section
A - A'



3rd BSS Horizontal Wells

△ BHL

□ FTP

Horizontal Locations:

Jet Fed Com #601H

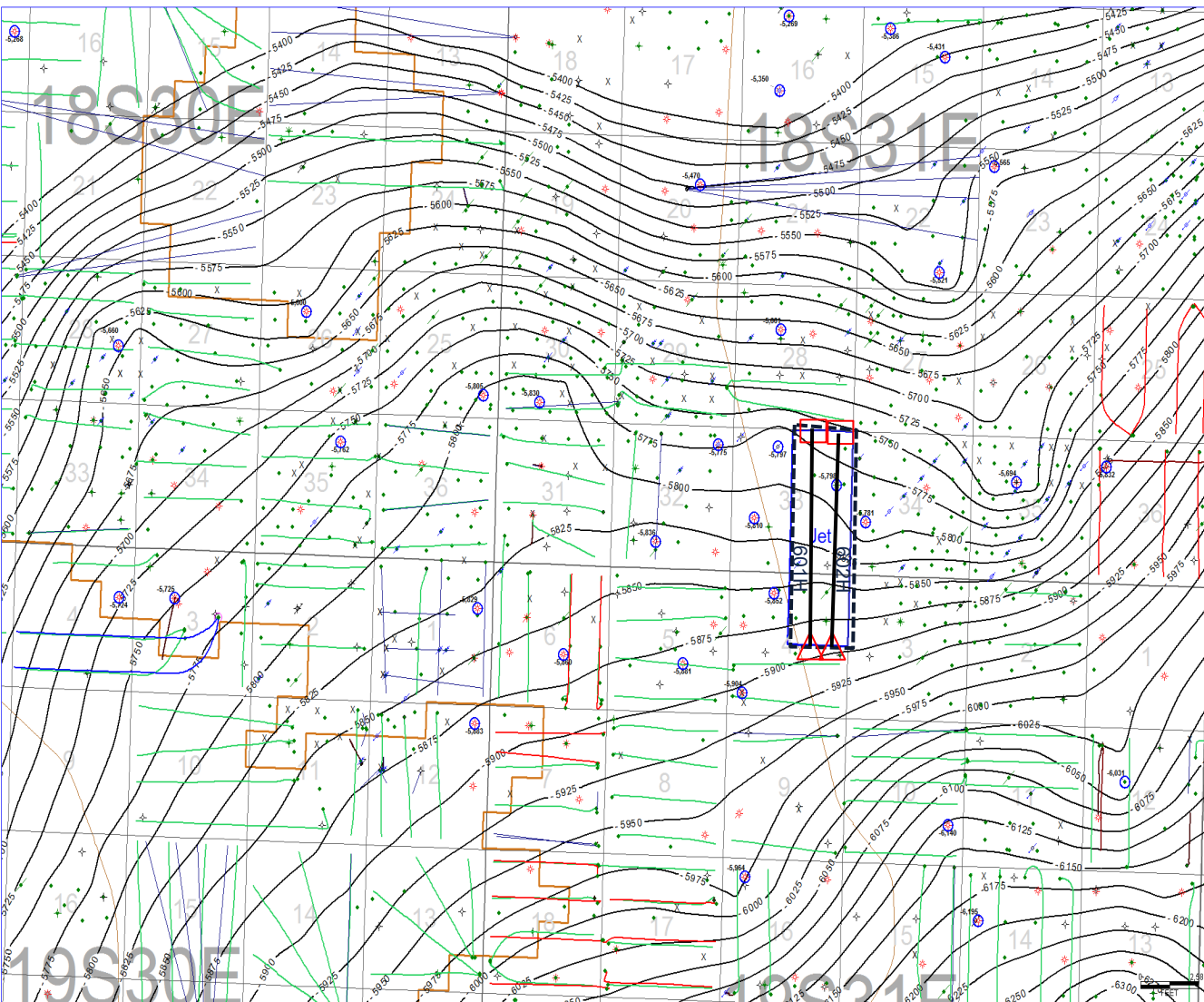
Jet Fed Com #602H

— Potash District

Only wells >9500'
shown.



Jet Structure Map Exhibit D-8



3rd BSS Structure Map
CI=25 Feet



3rd BSS Horizontal Wells

○ Control Points

△ BHL

□ FTP

Horizontal Locations:

Jet Fed Com #601H

Jet Fed Com #602H

— Potash District

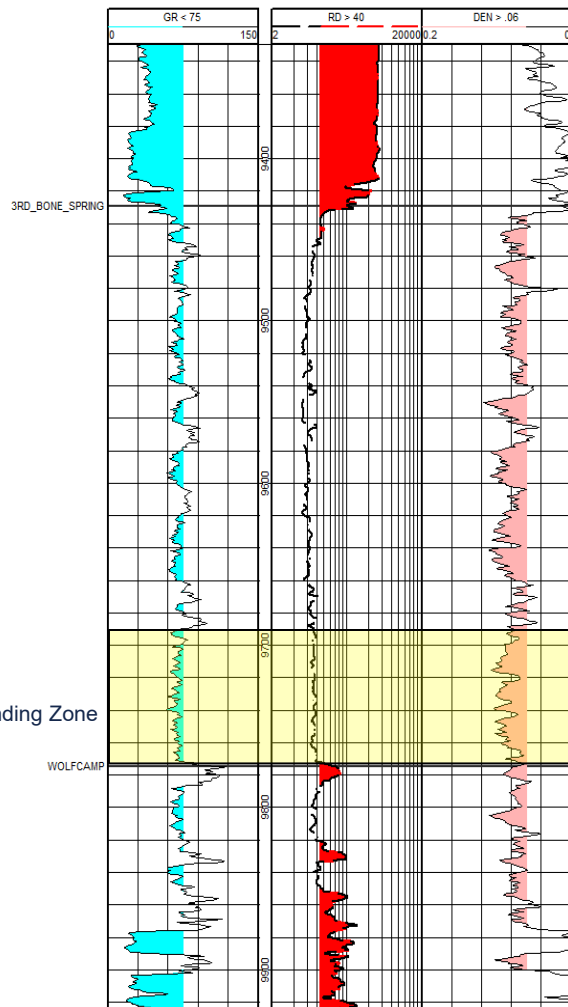
Only wells >9500'
shown.



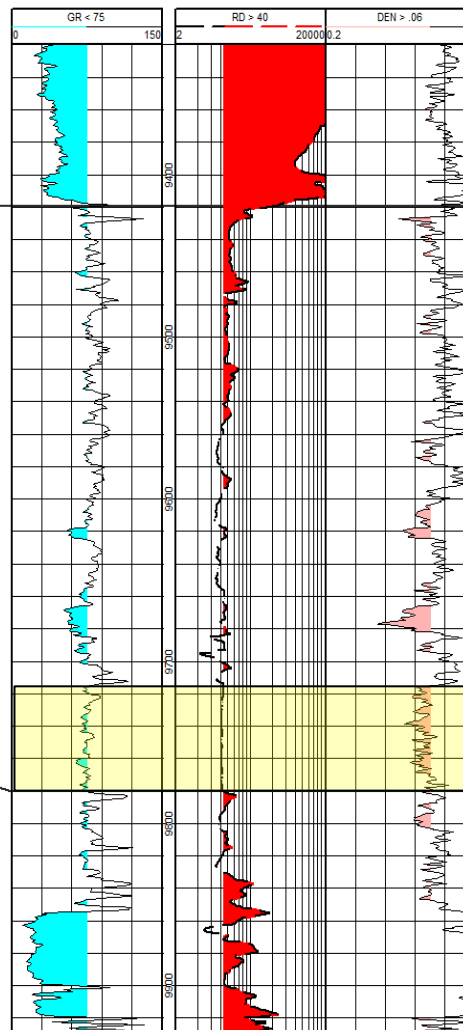
Jet Stratigraphic Cross Section Exhibit D-9

A

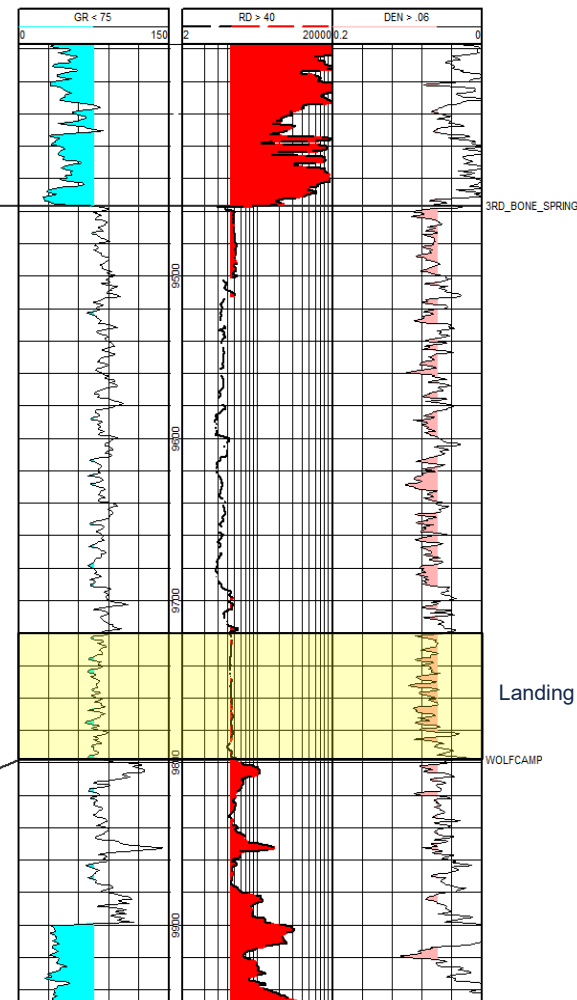
1-☀
KOEHA NE FEDERAL
30015224090000



1-☀
BLIND SQUIRREL FEDERAL
30015336720000



001-☀
SOUTH SHUGART DEEP UNIT
30015239380000



A'

Landing Zone



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF LEGACY OPERATING
RESOURCES LP FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO

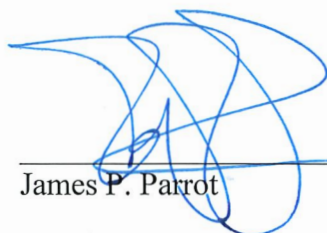
CASE NO. 22701

AFFIDAVIT

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

James Parrot, attorney in fact and authorized representative of Legacy Reserves Operating LP, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under Notice Letters dated May 26, 2022, which the Applicant mailed via U.S. Postal Service Certified Mail. Notice was sent to Concho Oil & Gas LLC and COG Operating LLC on May 26, 2022. As of the date of this Affidavit the undersigned has received no confirmation that the certified envelope has been received by Concho Oil & Gas LLC. Notice could not be delivered to COG Operating LLC and the certified mail receipt was returned to applicant, marked as undeliverable, see Exhibit E.

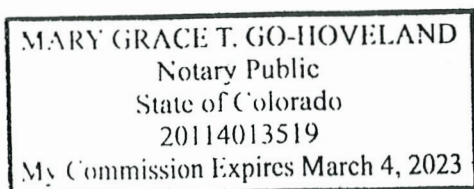
Applicant also published notice of the Application in the Carlsbad Current Argus on June 2, 2022. Proof of publication is shown on Exhibit F.

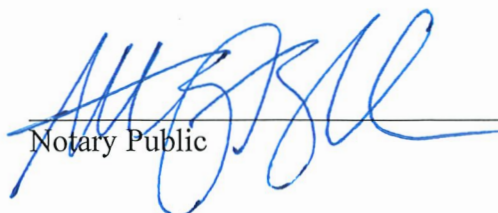


James P. Parrot

SUBSCRIBED AND SWORN to before me on June 14, 2022 by James P. Parrot.

My commission expires:





Notary Public

Oil Conservation Division Hearing - February 2, 2023
Case No. 22701
Legacy Reserves Operating LP - Exhibit E

BEATTY & WOZNIAK, P.C.

ATTORNEYS AT LAW
1675 BROADWAY, SUITE 600
DENVER, CO 80202
TELEPHONE 303-407-4499
FAX 1-800-886-6566
www.bwenergylaw.com

OFFICE LOCATIONS
COLORADO
NEW MEXICO
TEXAS
WYOMING

JAMES P. PARROT

(303) 407-4458
JPARROT@BWENERGYLAW.COM

May 26, 2022

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO SPACING AND POOLING PROCEEDING

Re: Application of Legacy Reserves Operating LP for horizontal spacing and compulsory pooling, Eddy County, New Mexico
Jet Federal Com 401H, Jet Federal Com 402H, Jet Federal Com 501H, Jet Federal Com 502H, Jet Federal Com 601H and Jet Federal Com 602H Wells (Case No. 22701)

Dear Interest Owners:

This letter is to advise you that Legacy Reserves Operating LP ("Legacy") has filed the enclosed application, Case Nos. 22701, with the New Mexico Oil Conservation Division for creating a standard horizontal spacing unit and the compulsory pooling of the Bone Spring formation involving the Jet Federal Com 401H, Jet Federal Com 402H, Jet Federal Com 501H, Jet Federal Com 502H, Jet Federal Com 601H and Jet Federal Com 602H Wells.

In Case No. 22701, Legacy plans to space and pool the E½ of Section 33, Township 18 South, Range 31 East, N.M.P.M., and NE¼ of Section 4, Township 19 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, a standard unit encompassing 480 acres, more or less, dedicated to the Jet Federal Com 401H, Jet Federal Com 402H, Jet Federal Com 501H, Jet Federal Com 502H, Jet Federal Com 601H and Jet Federal Com 602H Wells.

A hearing has been requested before a Division Examiner on June 16, 2022, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. However, under the COVID-19 Public Health Emergency, the hearing will be conducted remotely. For information about remote access, you can visit the Division's website at: <https://www.emnrd.nm.gov/ocd/hearing-info/> or call (505) 476-3441.

You are being notified as an interest owner and are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

BEATTY & WOZNIAK, P.C.

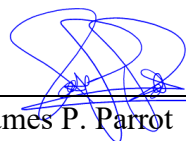
May 26, 2022
Case No. 22701
Page 2

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Brett Willis at (720) 943-5248 or at bwillis@legacyreserves.com.

Sincerely,

BEATTY & WOZNIAK, P.C.



James P. Parrot

Attorney for Legacy Reserves Operating LP

CERTIFIED MAIL

7020 3160 0000 7257 9270

CERTIFIED MAIL® RECEIPT

Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

RC: 802024692
UNDELIVERED
RETURN TO SENDER

7 9270

Certified Mail Fee \$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) \$
☐ Return Receipt (electronic) \$
☐ Certified Mail Restricted Delivery \$
☐ Adult Signature Required \$
☐ Adult Signature Restricted Delivery \$

Postmark Here

Postage \$
Total Postage \$

Sent To
Street and Apt. 1
City, State, ZIP+4
COG Operating LLC
550 W. Texas., Ave. Suite 100
Midland, TX 79701

2185-57

PS Form 3800, 7-2019

Handwritten signature/initials



FP® US POSTAGE
\$008.16⁰
First-Class - IMI
ZIP 80202
05/26/2022
034A 0081801095

Handwritten: 2/85-57
5/28/2022

COG Operating LLC
550 W. Texas., Ave. Suite 100
Midland, TX 79701

2185-57

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:
2185-57
COG Operating LLC
550 W. Texas., Ave. Suite 100
Midland, TX 79701



9590 9402 6299 0274 9403 63

2. Article Number (Transfer from service label)

7020 3160 0000 7257 9270

PS Form 3811, July 2020 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X
☐ Agent
☐ Addressee
B. Received by (Printed Name)
C. Date of Delivery
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

Handwritten: 57

3. Service Type
☒ Adult Signature
☐ Adult Signature Restricted Delivery
☐ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

Mail Restricted Delivery (00)

Domestic Return

Oil Conservation Division Hearing - February 2, 2023
Case No. 22701
Legacy Reserves Operating LP - Exhibit E

Affidavit of Publication

Ad # 0005282876

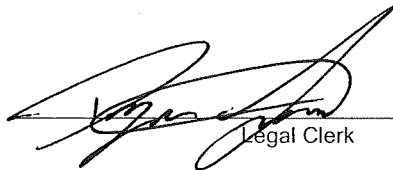
This is not an invoice

BEATTY & WOZNIAK, P. C.
216 SIXTEENTH STREET, SUITE 11

DENVER, CO 80202

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

06/02/2022

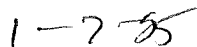


Legal Clerk

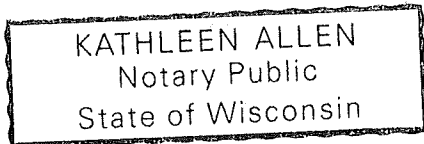
Subscribed and sworn before me this June 2, 2022:



State of WI, County of Brown
NOTARY PUBLIC



My commission expires



Ad # 0005282876
PO #: 5282876
of Affidavits 1

This is not an invoice

LEGAL NOTICE
JUNE 2, 2022

STATE OF NEW MEXICO
ENERGY, MINERALS, AND
NATURAL RESOURCES DEPART-
MENT
OIL CONSERVATION DIVISION,
SANTE FE, NEW MEXICO

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on Thursday, June 16, 2022, beginning at 8:15 A.M. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <http://www.emnrd.state.nm.us/OCD/hearings-info/> or obtained from Marlene Salvidrez at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at <https://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in the hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than June 6, 2022.

STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.

(NOTE: All land descriptions
herein refer to the New Mexico
Principal Meridian whether or
not so stated.)

TO: All overriding royalty inter-
est owners and pooled parties,
including Legacy Reserves Oper-
ating LP, Concho Oil & Gas LLC
and COG Operating LLC

CASE NO: 22701: Application of
Legacy Reserves Operating LP
for a Horizontal Spacing Unit
and Compulsory Pooling, Eddy
County, New Mexico. Applicant
in the above-styled cause seeks
an order from the Division: (1)
creating a standard 480-acre,
more or less, spacing and
proration unit comprised of the
E $\frac{1}{2}$ of Section 33, Township 18
South, Range 31 East, N.M.P.M.,
and NE $\frac{1}{4}$ of Section 4, Township
19 South, Range 31 East,
N.M.P.M., Eddy County, New
Mexico, and (2) pooling all un-
committed mineral interests in
the Bone Spring formation, des-
ignated as an oil pool, underly-
ing said unit. The proposed wells
to be dedicated to the horizon-
tal spacing unit are: (a) Jet
Federal Com 401H Well, an oil
well, to be horizontally drilled
from an approximate surface lo-
cation in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section
33, Township 18 South, Range
31 East, N.M.P.M., to a bottom
hole location in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of
Section 4, Township 19 South,
Range 31 East, N.M.P.M.; (b) Jet
Federal Com 402H Well, an oil
well, to be horizontally drilled
from an approximate surface lo-
cation in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section
33, Township 18 South, Range
31 East, N.M.P.M., to a bottom
hole location in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of
Section 4, Township 19 South,
Range 31 East, N.M.P.M.; (c) Jet
Federal Com 501H Well, an oil
well, to be horizontally drilled
from an approximate surface lo-
cation in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section
33, Township 18 South, Range

31 East, N.M.P.M., to a bottom hole location in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 19 South, Range 31 East, N.M.P.M.; (d) Jet Federal Com 502H Well, an oil well, to be horizontally drilled from an approximate surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33, Township 18 South, Range 31 East, N.M.P.M., to a bottom hole location in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 19 South, Range 31 East, N.M.P.M.; (e) Jet Federal Com 601H Well, an oil well, to be horizontally drilled from an approximate surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33, Township 18 South, Range 31 East, N.M.P.M., to a bottom hole location in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 19 South, Range 31 East, N.M.P.M.; and (f) Jet Federal Com 602H Well, an oil well, to be horizontally drilled from an approximate surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33, Township 18 South, Range 31 East, N.M.P.M., to a bottom hole location in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 19 South, Range 31 East, N.M.P.M. The wells are orthodox in location and the take points and lateral comply with State-wide Rules for setbacks; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 28 miles northeast of Carlsbad, New Mexico. #5282876, Current Argus, June 2, 2022