# BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JUNE 17, 2022

CASE NOS. 22226 – 22229

Sapphire Fed Com 501H Sapphire Fed Com 502H Sapphire Fed Com 503H Sapphire Fed Com 504H

Lea 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, LEA COUNTY, NEW MEXICO

Case Nos. 22226 – 22229

#### **TABLE OF CONTENTS**

**Legacy Exhibit A:** Compulsory Pooling Application Checklists

**Legacy Exhibit B:** Filed Applications

**Legacy Exhibit C:** Affidavit of Brett Willis, Landman

• 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 E:** Notice Affidavit

**Legacy Exhibit F:** Affidavit of Publication

**Legacy Exhibit G:** Supplement Affidavit of Brett Willis, Landman

### COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case:	APPLICANT'S RESPONSE
Date	
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, Lea County, New Mexico
Entries of Appearance/Intervenors:	COG Operating LLC, EOA; Jalapeno Corporation, Opp to Aff; MRC Permian Company, EOA; Matador Production Company, EOA
Well Family	Sapphire
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:	Gem; Bone Spring, East [27230]
Well Location Setback Rules:	Statewide Rules
Spacing Unit Size:	320 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres, more or less
Building Blocks:	Quarter-Quarter sections
Orientation:	North-South
Description: TRS/County	W/2W/2 of Sections 14 and 23, T-19-S, R-33-E, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	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)	

WRUC#Wed by OCD: 6/10/2022 12:56:58 PM	Sapphire Fed Com 501H Well (API No. Pending)  SHL: NW/4NW/4 (Lot D) of Section 14, Township 19 South, Range 33 East, N.M.P.M.  BHL: SW/4SW/4 (Lot M) of Section 23, Township 19 South, Range 33 East, N.M.P.M.  Completion Target: Bone Spring Formation Well Orientation: North to South Completion Location: Standard
Well #2	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	<b>Y233</b>
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
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

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Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibits C-2, C-3, and D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibits C-3, D-1, and D-2
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D
HSU Cross Section	Exhibit D-2
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, and D-2
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-1
Cross Section (including Landing Zone)	Exhibit D-3
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	James P. Parrot
Signed Name (Attorney or Party Representative):	
Date:	June 9, 2022

### COMPUESORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case:	APPLICANT'S RESPONSE
Date	
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, Lea County, New Mexico
Entries of Appearance/Intervenors:	COG Operating LLC, EOA; Jalapeno Corporation, Opp to Aff; MRC Permian Company, EOA; Matador Production Company, EOA
Well Family	Sapphire
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:	Gem; Bone Spring, East [27230]
Well Location Setback Rules:	Statewide Rules
Spacing Unit Size:	320 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres, more or less
Building Blocks:	Quarter-Quarter sections
Orientation:	North-South
Description: TRS/County	E/2W/2 of Sections 14 and 23, T-19-S, R-33-E, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	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)	

WRUCEWed by OCD: 6/10/2022 12:56:58 PM	Sapphire Fed Com 502H Well (API No. Pending)  SHL: NW/4NW/4 (Lot D) of Section 14, Township 19 South, Range 33 East, N.M.P.M.  BHL: SE/4SW/4 (Lot N) of Section 23, Township 19 South, Range 33 East, N.M.P.M.  Completion Target: Bone Spring Formation Well Orientation: North to South Completion Location: Standard
Well #2	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
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
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Summary (including special considerations)	Exhibit D	
Spacing Unit Schematic	Exhibits C-2, C-3, and D-1	
Gunbarrel/Lateral Trajectory Schematic	Exhibits C-3, D-1, and D-2	
Well Orientation (with rationale)	Exhibit D	
Target Formation	Exhibit D	
HSU Cross Section	Exhibit D-2	
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, and D-2	
Structure Contour Map - Subsea Depth	Exhibit D-2	
Cross Section Location Map (including wells)	Exhibit D-1	
Cross Section (including Landing Zone)	Exhibit D-3	
Additional Information		
Special Provisions/Stipulations		
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James P. Parrot	
Signed Name (Attorney or Party Representative):		
Date:	June 9, 2022	

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Case:	APPLICANT'S RESPONSE
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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, Lea County, New Mexico
Entries of Appearance/Intervenors:	COG Operating LLC, EOA; Jalapeno Corporation, Opp to Aff; MRC Permian Company, EOA; Matador Production Company, EOA
Well Family	Sapphire
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:	Gem; Bone Spring, East [27230]
Well Location Setback Rules:	Statewide Rules
Spacing Unit Size:	320 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres, more or less
Building Blocks:	Quarter-Quarter sections
Orientation:	North-South
Description: TRS/County	W/2E/2 of Sections 14 and 23, T-19-S, R-33-E, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	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

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Name & API (if assigned), surface and bottom hole location,	
footages, completion target, orientation, completion status	
(standard or non-standard) Well #1	Sapphire Fed Com 503H Well (API No. Pending)
weii #1	SHL: NW/4NE/4 (Lot B) of Section 14, Township 19 South,
	Range 33 East, N.M.P.M.
	BHL: SW/4SE/4 (Lot O) of Section 23, Township 19 South,
	Range 33 East, N.M.P.M.
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	Completion Target: Bone Spring Formation Well Orientation: North to South
	Completion Location: Standard
Well #2	completion according to
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
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C&40E34HA \$\$\$ Q&Bi 16/14/2023-1121545 58 PM	Exhibit C-6	ge 11 of 35.
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, and D-1	
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Ownership Determination	EXHIBIT
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Ownership Depth Severance (including percentage above & below)	None
Joinder County C	
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Chronology of Contact with Non-Joined Working Interests Overhead Rates In Proposal Letter	Exhibit C-7 Exhibits C-5 and C-6
Cost Estimate to Drill and Complete	Exhibit C-6
Cost Estimate to Equip Well	Exhibit C-6
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Cost Estimate for Production Facilities	EXHIBIT C-6

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Gunbarrel/Lateral Trajectory Schematic	Exhibits C-3, D-1, and D-2	
Well Orientation (with rationale)	Exhibit D	
Target Formation	Exhibit D	
HSU Cross Section	Exhibit D-2	
Depth Severance Discussion	N/A	
Forms, Figures and Tables		
C-102	Exhibit C-2	
Tracts	Exhibit C-3	
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General Location Map (including basin)	Exhibit C-1	
Well Bore Location Map	Exhibit C-2, D-1, and D-2	
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Cross Section Location Map (including wells)	Exhibit D-1	
Cross Section (including Landing Zone)	Exhibit D-3	
Additional Information		
Special Provisions/Stipulations		
CERTIFICATION: I hereby certify that the information pro	ovided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	James P. Parrot	
Signed Name (Attorney or Party Representative):		
Date:	June 9, 2022	

## 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, LEA COUNTY, NEW MEXICO

Case No. 22226

#### **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 320-acre, more or less, spacing and proration unit comprised of the W½W½ of Section 14 and W½W½ of Section 23, Township 19 South, Range 33 East, N.M.P.M, Lea 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 in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.
- 2. Legacy proposes and dedicates the Sapphire Fed Com 501H Well as an initial well to the HSU.
- 3. Legacy proposes the Sapphire Fed Com 501H Well, an oil well, to be horizontally drilled from a surface location in the NW¼NW¼ of Section 14, Township 19 South, Range 33 East, N.M.P.M, to a bottom hole location in the SW¼SW¼ of Section 23, Township 19 South, Range 33 East, N.M.P.M.

Page 16cof 353

4. The well is orthodox in its location, and its take points and lateral comply with

Statewide Rules for setbacks.

5. 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 well or in the commitment

of their interests to the well for its development within the proposed HSU.

6. The pooling of all interests in the Bone Spring formation within the proposed

HSU, and creation of the spacing unit, 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 well and HSU.

WHEREFORE, Legacy requests that this Application be set for hearing on October 23,

2021, 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 320-acre, more or less, spacing and proration

unit comprised of the W½W½ of Section 14 and the W½W½ of Section 23, Township 19 South,

Range 33 East, Lea County, New Mexico;

B. Pooling all uncommitted mineral interests in the Bone Spring formation

underlying the proposed HSU.

C. Approving the Sapphire Fed Com 501H Well as the well for the HSU.

D. Designating Legacy as operator of this HSU and the horizontal well to be drilled

thereon;

E. Authorizing Legacy to recover its costs of drilling, equipping, and completing the

well;

- 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 well in the event a working interest owner elects not to participate in the well.

Respectfully submitted

BEATTY & WOZNIAK, P.C.

John Rittenhouse

Jobediah Rittenhouse 1675 Broadway, Suite 600 Denver, CO 80202

(303) 407-4457

jrittenhouse@bwenergylaw.com

Application of Legacy Reserves Operating LP for a Horizontal Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit comprised of the W½W½ of Section 14 and W½W½ of Section 23, Township 19 South, Range 33 East, N.M.P.M, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit. The proposed well to be dedicated to the horizontal spacing unit is the Sapphire Fed Com 501H Well, an oil well, to be horizontally drilled from a surface location in the NW¼NW¼ of Section 14, Township 19 South, Range 33 East, N.M.P.M, to a bottom hole location in the SW¼SW¼ of Section 23, Township 19 South, Range 33 East, N.M.P.M. The well is orthodox in location and the take points and lateral comply with Statewide Rules for setbacks; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 3 miles southwest of Lovington, New Mexico.

#### 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, LEA COUNTY, NEW MEXICO

Case No. <u>22227</u>

#### **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 320-acre, more or less, spacing and proration unit comprised of the E½W½ of Section 14 and E½W½ of Section 23, Township 19 South, Range 33 East, N.M.P.M, Lea 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 in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.
- 2. Legacy proposes and dedicates the Sapphire Fed Com 502H Well as an initial well to the HSU.
- 3. Legacy proposes the Sapphire Fed Com 502H Well, an oil well, to be horizontally drilled from a surface location in the NW½NW¼ of Section 14, Township 19 South, Range 33 East, N.M.P.M, to a bottom hole location in the SE¼SW¼ of Section 23, Township 19 South, Range 33 East, N.M.P.M.

- 4. The well is orthodox in its location, and its take points and lateral comply with Statewide Rules for setbacks.
- 5. 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 well or in the commitment of their interests to the well for its development within the proposed HSU.
- 6. The pooling of all interests in the Bone Spring formation within the proposed HSU, and creation of the spacing unit, 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 well and HSU.

WHEREFORE, Legacy requests that this Application be set for hearing on October 23, 2021, 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 320-acre, more or less, spacing and proration unit comprised of the E½W½ of Section 14 and the E½W½ of Section 23, Township 19 South, Range 33 East, Lea County, New Mexico;
- B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the proposed HSU.
  - C. Approving the Sapphire Fed Com 502H Well as the well for the HSU.
- D. Designating Legacy as operator of this HSU and the horizontal well to be drilled thereon;
- E. Authorizing Legacy to recover its costs of drilling, equipping, and completing the well;

- 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 well in the event a working interest owner elects not to participate in the well.

Respectfully submitted

BEATTY & WOZNIAK, P.C.

abodiah Pittanhausa

Jobediah Rittenhouse 1675 Broadway, Suite 600 Denver, CO 80202 (303) 407-4457

jrittenhouse@bwenergylaw.com

Application of Legacy Reserves Operating LP for a Horizontal Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit comprised of the E½W½ of Section 14 and E½W½ of Section 23, Township 19 South, Range 33 East, N.M.P.M, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit. The proposed well to be dedicated to the horizontal spacing unit is the Sapphire Fed Com 502H Well, an oil well, to be horizontally drilled from a surface location in the NW¼NW¼ of Section 14, Township 19 South, Range 33 East, N.M.P.M, to a bottom hole location in the SE¼SW¼ of Section 23, Township 19 South, Range 33 East, N.M.P.M. The well is orthodox in location and the take points and lateral comply with Statewide Rules for setbacks; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 3 miles southwest of Lovington, New Mexico.

## 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, LEA COUNTY, NEW MEXICO

Case No. 22228

#### **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 320-acre, more or less, spacing and proration unit comprised of the W½E½ of Section 14 and W½E½ of Section 23, Township 19 South, Range 33 East, N.M.P.M, Lea 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 in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.
- 2. Legacy proposes and dedicates the Sapphire Fed Com 503H Well as an initial well to the HSU.
- 3. Legacy proposes the Sapphire Fed Com 503H Well, an oil well, to be horizontally drilled from a surface location in the NW1/4NE1/4 of Section 14, Township 19 South, Range 33 East, N.M.P.M, to a bottom hole location in the SW1/4SE1/4 of Section 23, Township 19 South, Range 33 East, N.M.P.M.

Page 24eof 353

4. The well is orthodox in its location, and its take points and lateral comply with

Statewide Rules for setbacks.

5. 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 well or in the commitment of their

interests to the well for its development within the proposed HSU.

6. The pooling of all interests in the Bone Spring formation within the proposed HSU,

and creation of the spacing unit, 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 well and HSU.

WHEREFORE, Legacy requests that this Application be set for hearing on October 23,

2021, 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 320-acre, more or less, spacing and proration

unit comprised of the W½E½ of Section 14 and the W½E½ of Section 23, Township 19 South,

Range 33 East, Lea County, New Mexico;

B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying

the proposed HSU.

C. Approving the Sapphire Fed Com 503H Well as the well for the HSU.

D. Designating Legacy as operator of this HSU and the horizontal well to be drilled

thereon;

E. Authorizing Legacy to recover its costs of drilling, equipping, and completing the

well;

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

Respectfully submitted

BEATTY & WOZNIAK, P.C.

Jobediah Rittenhouse

1675 Broadway, Suite 600 Denver, CO 80202 (303) 407-4457

jrittenhouse@bwenergylaw.com

Application of Legacy Reserves Operating LP for a Horizontal Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit comprised of the W½E½ of Section 14 and W½E½ of Section 23, Township 19 South, Range 33 East, N.M.P.M, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit. The proposed well to be dedicated to the horizontal spacing unit is the Sapphire Fed Com 503H Well, an oil well, to be horizontally drilled from a surface location in the NW¼NE¼ of Section 14, Township 19 South, Range 33 East, N.M.P.M, to a bottom hole location in the SW¼SE¼ of Section 23, Township 19 South, Range 33 East, N.M.P.M. The well is orthodox in location and the take points and lateral comply with Statewide Rules for setbacks; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 3 miles southwest of Lovington, New Mexico.

#### 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, LEA COUNTY, NEW MEXICO

Case No. 22229

#### **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 320-acre, more or less, spacing and proration unit comprised of the E½E½ of Section 14 and E½E½ of Section 23, Township 19 South, Range 33 East, N.M.P.M, Lea 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 in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.
- 2. Legacy proposes and dedicates the Sapphire Fed Com 504H Well as an initial well to the HSU.
- 3. Legacy proposes the Sapphire Fed Com 504H Well, an oil well, to be horizontally drilled from a surface location in the NW¼NE¼ of Section 14, Township 19 South, Range 33 East, N.M.P.M, to a bottom hole location in the SE¼SE¼ of Section 23, Township 19 South, Range 33 East, N.M.P.M.

Page 28cof 353

4. The well is orthodox in its location, and its take points and lateral comply with

Statewide Rules for setbacks.

5. 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 well or in the commitment of their

interests to the well for its development within the proposed HSU.

6. The pooling of all interests in the Bone Spring formation within the proposed HSU,

and creation of the spacing unit, 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 well and HSU.

WHEREFORE, Legacy requests that this Application be set for hearing on October 23,

2021, 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 320-acre, more or less, spacing and proration

unit comprised of the E½E½ of Section 14 and the E½E½ of Section 23, Township 19 South,

Range 33 East, Lea County, New Mexico;

B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying

the proposed HSU.

C. Approving the Sapphire Fed Com 504H Well as the well for the HSU.

D. Designating Legacy as operator of this HSU and the horizontal well to be drilled

thereon;

E. Authorizing Legacy to recover its costs of drilling, equipping, and completing the

well;

- 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 well in the event a working interest owner elects not to participate in the well.

Respectfully submitted

BEATTY & WOZNIAK, P.C.

Jobediah Rittenhouse 1675 Broadway, Suite 600 Denver, CO 80202 (303) 407-4457

jrittenhouse@bwenergylaw.com

Application of Legacy Reserves Operating LP for a Horizontal Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit comprised of the E½E½ of Section 14 and E½E½ of Section 23, Township 19 South, Range 33 East, N.M.P.M, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit. The proposed well to be dedicated to the horizontal spacing unit is the Sapphire Fed Com 504H Well, an oil well, to be horizontally drilled from a surface location in the NW¼NE¾ of Section 14, Township 19 South, Range 33 East, N.M.P.M, to a bottom hole location in the SE¼SE¼ of Section 23, Township 19 South, Range 33 East, N.M.P.M. The well is orthodox in location and the take points and lateral comply with Statewide Rules for setbacks; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 3 miles southwest of Lovington, 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, LEACOUNTY, NEW MEXICO

Case No. 22226 - 22229

#### AFFIDAVIT OF BRETT WILLIS

Brett Willis, being first duly sworn upon oath, deposes and states as follows:

- 1. My name is Brett Willis, and I am employed by Legacy Reserves Operating LP ("Legacy") as a Senior Landman.
- I have not previously testified before the New Mexico Oil Conservation Division ("Division"). I have several years of experience in petroleum land matters, and I have worked directly or in a supervisory role with the properties that are the subject of these matters. I ask that the Division accept my credentials as those of an expert witness in petroleum land matters and made a matter of record.
  - a. I have a Bachelor of Arts Degree in Marketing from Oral Roberts
    University and a Master of Business Administration in Oil and Gas Management from
    the Aberdeen Business School of Robert Gordon University.
  - b. I have a Certified Professional Landman (CPL) certification from the American Association of Professional Landmen (AAPL).
  - c. I have worked in petroleum land matters since April 2011, which includes experience in the Permian Basin.

Page 32 of 353

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 area.

5. The uncommitted mineral owners subject to the requested relief of these cases

have not indicated any objection to the presentation of these applications by affidavit, and I do

not anticipate any objection at the hearing.

6. Under these consolidated cases, Legacy seeks orders from the Division (1)

creating standard 320-acre, more or less, spacing and proration units comprised of lands in

Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico,

and (2) pooling all uncommitted mineral interests in the Bone Spring formation as follows:

a. In Case No. 22226, Legacy seeks to create a spacing and proration unit

and pool all uncommitted mineral interest owners underlying a standard 320-acre

horizontal unit comprised of the W½W½ of Section 14 and W½W½ of Section 23, and to

dedicate the Sapphire Fed Com 501H Well (API No. Pending) as an initial well to the

unit, to be horizontally drilled from a surface location in the NW¼NW¼ of Section 14, to

a bottom hole location in the SW1/4SW1/4 of Section 23.

b. In Case No. 22227, Legacy seeks to create a spacing and proration unit

and pool all uncommitted mineral interest owners underlying a standard 320-acre

horizontal unit comprised of the E½W½ of Section 14 and E½W½ of Section 23, and to

dedicate the Sapphire Fed Com 502H Well (API No. Pending) as an initial well to the

unit, to be horizontally drilled from a surface location in the NW¼NW¼ of Section 14, to

a bottom hole location in the SE¼SW¼ of Section 23.

Page 33 of 353

c. In Case No. 22228, Legacy seeks to create a spacing and proration unit

and pool all uncommitted mineral interest owners underlying a standard 320-acre

horizontal unit comprised of the W½E½ of Section 14 and W½E½ of Section 23, and to

dedicate the Sapphire Fed Com 503H Well (API No. Pending) as an initial well to the

unit, to be horizontally drilled from a surface location in the NW4NE4 of Section 14, to

a bottom hole location in the SW1/4SE1/4 of Section 23.

d. In Case No. 22229, Legacy seeks to create a spacing and proration unit

and pool all uncommitted mineral interest owners underlying a standard 320-acre

horizontal unit comprised of the E½E½ of Section 14 and E½E½ of Section 23, and to

dedicate the Sapphire Fed Com 504H Well (API No. Pending) as an initial well to the

unit, to be horizontally drilled from a surface location in the NW1/4NE1/4 of Section 14, to

a bottom hole location in the SE¼SE¼ of Section 23.

7. **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.

8. Legacy Exhibit C-2 contains the Form C-102s for 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.

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

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 Lea County, New Mexico, where

the well(s) is located, and of phone directories and did computer searches to locate the contact

Page 34 of 353

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, a newspaper of

general circulation in Lea 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.

2. **Legacy Exhibits C-5** contains the well proposal letter(s) sent in July 2021 to each

mineral interest owner.

3. 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.

4. **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.

5. 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.

- 6. 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 southeastern New Mexico. Legacy requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.
- 7. Legacy requests the maximum cost, plus 200% risk charge be assessed against nonconsenting working interest owners.
  - 8. Legacy requests that it be designated operator of the units and wells.
- 9. **Exhibit C-1** through **Exhibit C-7** were either prepared by me or compiled from Legacy's company business records under my direct supervision.
- 10. 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.
- 11. 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.

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Dated this 15th day of October , 2021.

Brett Willis

Legacy Reserves Operating LP

STATE OF COLORADO ) ss.

CITY AND COUNTY OF DENVER

The foregoing instrument was subscribed and sworn to before me this day of October, 2021, by Brett Willis, Senior Landman for Legacy Reserves Operating LP.

Witness my hand and official seal.

My commission expires: 05 - 25 - 2025

SHERL HERING
Notary Public
State of Colorado
Notary ID # 20054029730
My Commission Expires 05-25-2025

## Brett A. Willis, CPL

34 Wild Plum Lane Littleton, CO 80123 Bwillis0314@gmail.com 720.346.8485

#### QUALIFICATIONS

- Ten years of upstream oil and gas experience with a diverse set of skills and robust list of achievements which has led to continuous and rapid professional progression with increasing levels of responsibility, authority and results.
- Previously served as primary authority for land, land administration and regulatory teams comprised of 27 employees; was responsible for preserving the integrity of 144,000 net acres of leasehold assets, establishing divisional goals, workforce planning and performance, setting and maintaining G&A and capital acquisition budgets and ensuring corporate level compliance of legal, state and federal regulatory requirements.
- Significant expertise in drafting, interpreting and negotiating a wide array of land contracts including oil and gas leases, joint operating agreements, assignment and bill of sales, purchase and sale agreements, letters of intent, confidentiality agreements and farmout agreements.
- Excellent interpersonal skills that are continuously leveraged to build rapport and foster relationships with external stakeholders, positively influence and inspire my team and gain the trust of executive management teams.
- Served on QEP's *Leadership Committee*, a small group of key leaders and QEP executive officers responsible for setting corporate strategy and direction, monitoring and evaluating organizational performance and ensuring financial resources are accounted for, properly used and managed.

#### **ACHIEVEMENTS**

- Increased QEP's portfolio of Permian assets by more than 50% by personally sourcing and presenting to the CEO an asset acquisition opportunity of 15,200 net acres which was ultimately purchased for \$765MM; this was a crowning individual acquisition achievement for which I was recognized with a spot bonus presented by the CEO.
- Accumulated a robust list of acquisition achievements which significantly optimized QEP's land position; since 2013, I
  have acquired over 8,200 net acres by closing 42 individual asset transactions at a cumulative purchase price of
  \$107MM.
- Participated in multiple pre-acquisition title due diligence projects for a cumulative 33,000 net acres. Most notably, I supervised a pre-acquisition title due diligence project of 9,400 net acres, an asset owned by 120 individual parties who did not own uniform title which was ultimately purchased by QEP for \$600MM; I was responsible for forming the due diligence team, developing strategic due diligence procedures, directing and informing external land brokers of abstracting parameters and was charged with final oversight of confirming record title ownership of the assets.
- Primary land representative in two high profile settlement negotiations with two of QEP's largest mineral and surface
  owners who own a cumulative 18,000 net acres; successfully settled both matters while maintaining mutually
  beneficial working relationships with the counterparties, in addition to achieving more favorable lease terms,
  operational flexibility and development certainty.
- Created and implemented a broad and calculated strategic process to successfully perpetuate 144,000 net acres of leasehold assets during an unprecedented and extended period of fieldwide production curtailment.
- Implemented a company royalty policy to eliminate inconsistent royalty payment processes, to ensure accurate and timely royalty payments were remitted and to minimize royalty payment litigation.

#### **EXPERIENCE**

#### Sr. Landman

Legacy Reserves August 2021 – Current

Sole Landman responsible for Midland Basin and Delaware Basin assets consisting of 40,000 net acres of fee, State and Federal leasehold assets. Responsibilities include collaborating with multi-disciplinary teams to ensure drilling units are established for development, obtaining the right to use the surface estate for development, seeking force pooling orders with NMOCD, proposing and negotiating JOA's, identifying and pursuing creative growth opportunities to add drilling inventory to portfolio of assets and implementing a standardized electronic filing structure for all internal contracts and records that will be utilized company wide.

Oil Conservation Division Hearing - June 17, 2022

Case Nos. 22226 to 22229
Legacy Reserves Operating LP - Exhibit C

#### **Director of Land**

Diamondback Energy QEP Energy Company April 2021 – July 2021 March 2020 – March 2021

Managed and supported all land, land administration and regulatory functions for the entirety of QEP's portfolio of Permian and Williston Basin assets consisting of 144,000 net acres of fee, State (Texas and North Dakota), Federal and Indian leasehold assets. Lead and mentored a team of 27 employees including the Permian Land Manager, Williston Land Manager and Director of Land Administration; lead year-end performance management evaluations and workforce planning. Communicated corporate objectives across both Permian and Williston divisions, ensured legal, regulatory and internal and external audit compliance, drove strategies from corporate level to asset level and set and managed annual land acquisitions budget. Closed 16 asset transactions consisting of both acquisitions and divestitures, cumulatively amounting to \$13.2MM in consideration. Final approver and signatory for oil and gas leases, letters of intent, confidentiality agreements, purchase and sale agreements, assignment and bill of sales, Joint Operating Agreements (JOA's) and various surface estate contracts including right of ways and easements.

#### **Permian Division Land Manager**

**QEP Energy Company** 

June 2019 - February 2020

Managed all surface and subsurface land related activity and regulatory matters for a two rig drilling program on 49,000 net acres. Primarily responsible for preserving the integrity of oil and gas leases, state and federal regulatory compliance, contract negotiation, exploring for and effectuating acquisition and divestiture opportunities and planning for efficient and timely operations and development. Led a team of eight employees including the regulatory supervisor; participated in year-end performance management evaluations and workforce planning. Added \$35MM of incremental value without spending capital by closing two leasehold trade transactions by trading in and out of 577 net acres. Added \$5.3MM of incremental value by closing 11 leasehold acquisition transactions resulting in the acquisition of 85 net acres at a purchase price of \$1.6MM. Played an active role as representative of the company defending a variety of different lawsuits including trespass, breach of contract and quiet title lawsuits; participated as witness in deposition of alleged breach of contract lawsuit. Routinely collaborated with internal and external attorneys in drafting process of real property contracts to ensure the contract is legally binding and enforceable, that the terms and conditions meet the business needs of the company and that any indemnities and surviving obligations were suitable for the company.

#### Permian Division Team Lead & Senior Landman

**QEP Energy Company** 

March 2016 - May 2019

Supervised all surface and subsurface land related activity for a four rig drilling program on 24,000 net acres. Supervised and mentored a team of four Landmen, communicated division goals, performance strategies and conducted year-end performance evaluations. Closed three individual leasehold acreage exchange transactions of a cumulative 4,800 net acres for no consideration, nine individual leasehold acquisition transactions of a cumulative 1,460 net acres for \$77MM and one surface estate acquisition of 160 net acres for \$763M. Significant experience and exposure to a multiple zone land position, term and HBP oil and gas leases, pooling clauses, pugh clauses, retained acreage clauses and continuous drilling obligations. Routinely communicated the business implications and operational limitations of the Railroad Commission of Texas statewide field rules across all asset team disciplines; I specifically characterized horizontal well density and spacing rules, allocation well permit requirements and limitations to proration unit designations.

#### **Williston Division Landman**

**QEP Energy Company** 

February 2013 – February 2016

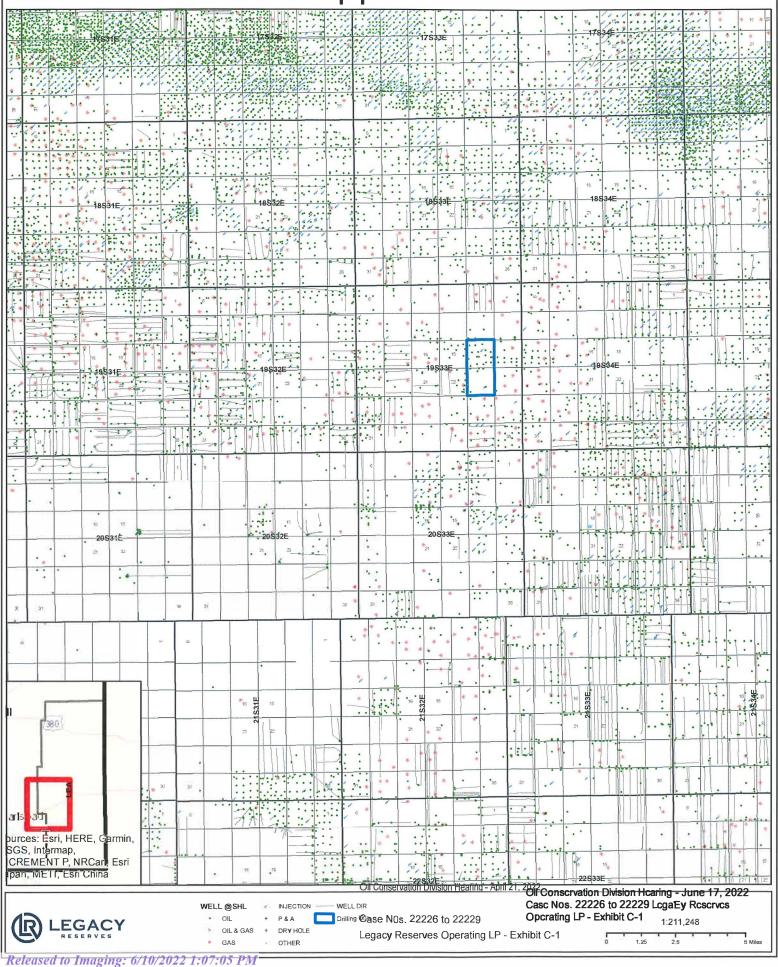
Responsible for surface and subsurface land related activity for an eight rig drilling program on 27,600 net acres. Established spacing units in advance of drilling activity which included directing and managing external land brokers title examinations and abstracting processes, obtaining DOTO's from outside counsel, satisfying high-value record title curative matters, securing communitization agreements from the Bureau of Indian Affairs, pooled unit designations from the North Dakota Industrial Commission (NDIC) and negotiating JOA's with working interest partners. Routinely provided formal testimony as an expert land witness to the NDIC to request the approval of spacing units, overlapping spacing units for lease line wells and force pooling of non-operated interests. Sourced and closed a 622 net acre leasehold acquisition transaction at a purchase price of \$15.5MM and presented over 70 non-operated well proposals to the CEO for approval that represented \$650MM of gross well costs.

#### **EDUCATION**

MBA, Oil and Gas Management, Aberdeen Business School (RGU) BA, Business Marketing, Oral Roberts University

September 2016 May 2009

## Sapphire Unit



<u>District 1</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 811 S. First St., Ariesta, NAI 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 I, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

County L.F.A

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	27230 27230	Gem; Bone Spring, East	J Pool Name
4 Property Code		operty Name IIRE FEDERAL Com	Well Number     501H
<sup>7</sup> OGRID №. 240974		perator Name SERVES OPERATING	* Elevation 3690.1*

#### "Surface Location

Feet from the

East/West line

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					_		CD:00 D			
				11	Bottom H	ole Location I	f Different From	Surface		
-										
-1	UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

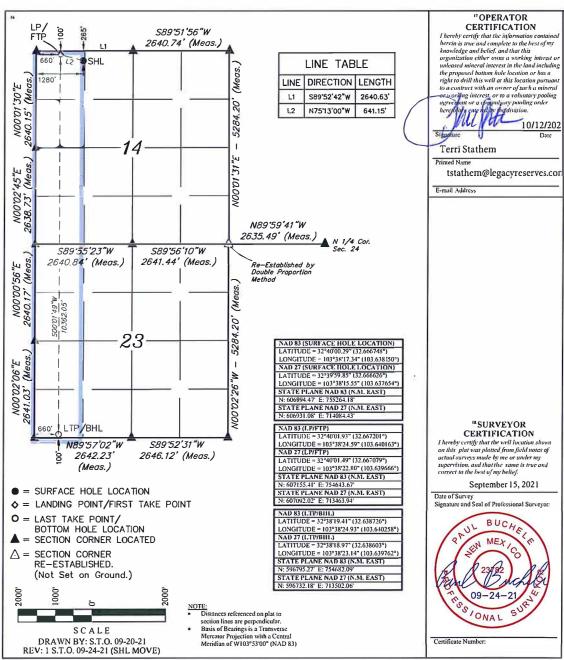
NORTH

UL or lot no.	Section 23	Township 19S	Range 33E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 660	East/West line WEST	County LEA
12 Dedicated Ac	res 13 J	loint or Infill	14 Conso	lidation 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.

Feet from the

Lot Idn



<u>District 1</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 Phone: (3/3) 393-0161 Fax: (3/5) 393-07/20 District II 8II S. First St., Artesia, NM 88210 Phone: (578) 748-1283 Fax: (575) 7489720 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

API Number	27230 Code	Gem; Bone Spring, East Pool Name	
* Property Code		Property Name PHIRE FEDERAL Com	6 Well Number 50211
<sup>7</sup> OGRID №. 240974		Operator Name ESERVES OPERATING	' Elevation 3690.4'

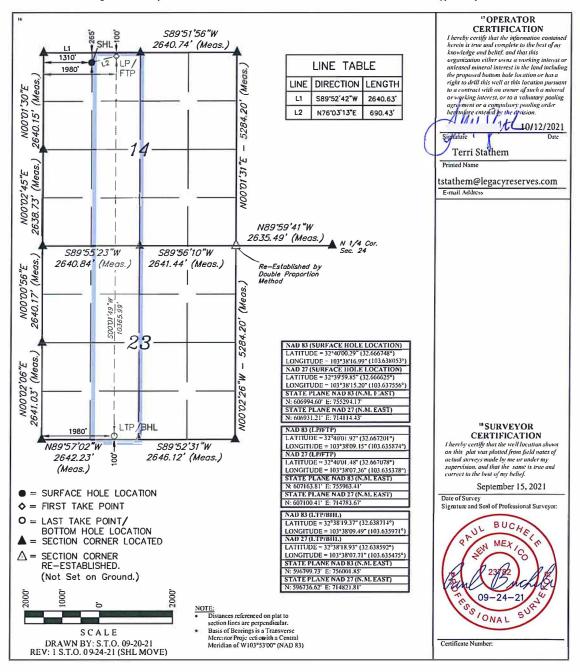
"Surface Location

UL or lot no.	Section 14	Township 19S	Range 33E	Lot Idn	Feet from the 265	North/South line NORTH	Feet from the 1310	East/West line WEST	County LEA	
	Rottom Hole Location of Different From Surface									

Bottom Hole Location If Different From Surface

	UL or lot no. N	Section 23	n	Township 19S	Range 33E	Lot Idn	F	eet from the 100	North/South lin c SOUTH	Feet from the 1980	East/West line WEST	County LEA
ĺ	12 Dedicated Acre 32	ő	13 70	int or Infill	14 Consc	lidation 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.



В

14

195

33E

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) 748-1287 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 Fc, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3465

# 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	<sup>1</sup> Pool Code 27230	Gem; Bone Spring, East	
4 Property Code	5 Pr SAPPI	• Well Number 50311	
<sup>7</sup> OGRID №. 240974		erator Name SERVES OPERATING	* Elevation 3701.3*

Surface Location

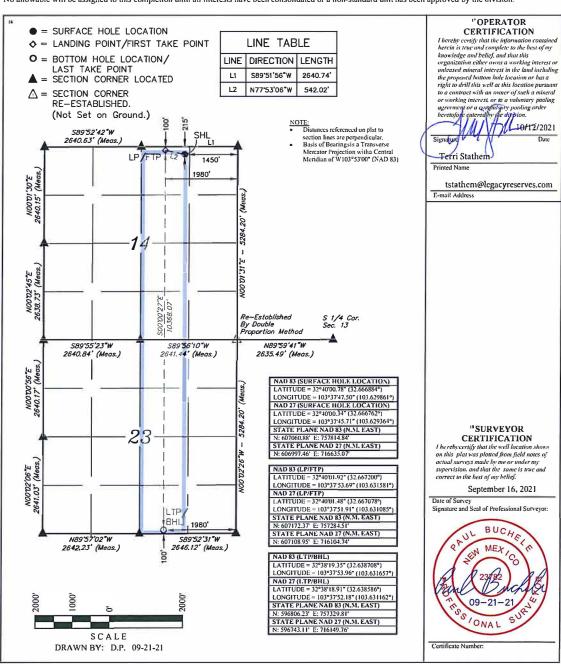
1450

EAST

#### ot Idn Feet from the North/South lin 215 NORTH

					Bottom H	ole	Location I	f Different From	Surface		
UL or lot no. O	Sect 2:	2	Township 19S	Range 33E	Lot Idn	F	eet from the 100	North/South line SOUTH	Feet from the 1980	East/Westline EAST	County LEA
12 Dedicated Acre 320	es	13 <b>J</b> <sub>0</sub>	oint or Infill	14 Consc	olidation 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.



<u>District 1</u>
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
<u>District II</u>
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Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NA 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

14

195

) Joint or Infill

#### 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

County LEA

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

	27230	Gem; Bone Spring, East	
4 Property Code		operty Name IIRE FEDERAL Com	6 Well Number 50411
7 OGRID No. 240974		perator Name SERVES OPERATING	* Elevation 3702.0'

#### "Surface Location

"Bottom Hole Location If Different From Surface										
UL or lot no,	Section 23	Township 19S	Range 33E	Lot Idn	Feet from the 100	North/South line SOUTH	Feet from the 660	East/West line EAST	County LEA	

North/South I

Feet from the

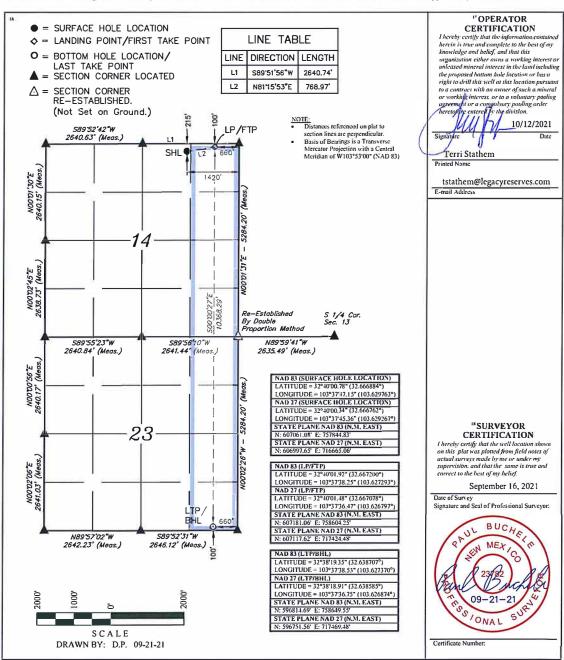
East/West line

5 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.

Feet from the 215

Range 33E

14 Consolidation Code



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Page 44 of 353



BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING MARCH 3, 2022

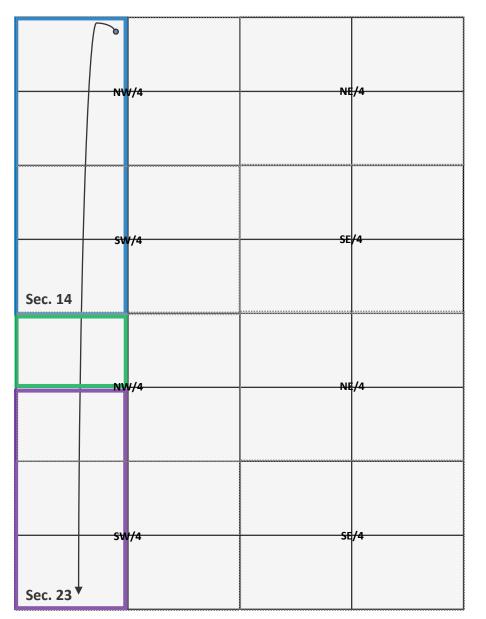
Case Nos. 22226 -22229

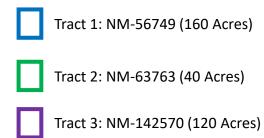
### Sapphire Fed Com 501H

19 South, 33 East, N.M.P.M.

Section 14: W½W½
Section 23: W½W½

Lea County, New Mexico Bone Spring Formation



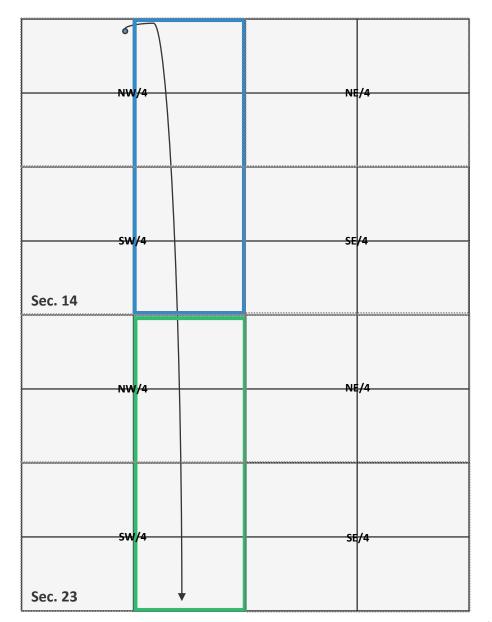


### Sapphire Fed Com 502H

19 South, 33 East, N.M.P.M.

Section 14: E½W½ Section 23: E½W½

Lea County, New Mexico Bone Spring Formation



Tract 1: NM-56749 (160 Acres)

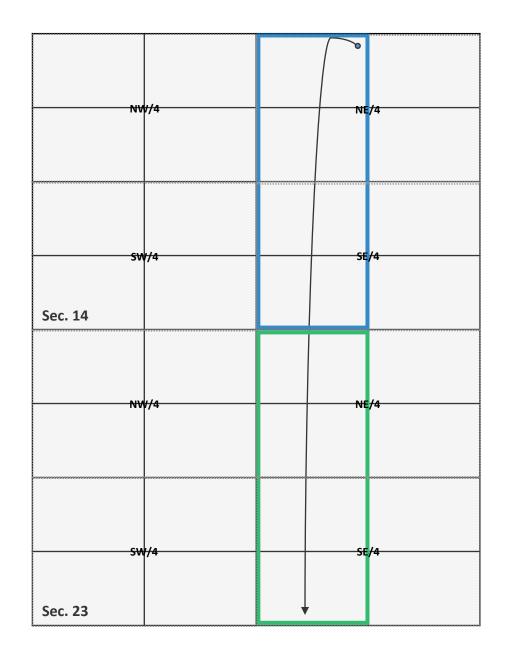
Tract 2: NM-56749 (160 Acres)

### Sapphire Fed Com 503H

19 South, 33 East, N.M.P.M.

Section 14: W½E½
Section 23: W½E½

Lea County, New Mexico Bone Spring Formation



Tract 1: NM-56749 (160 Acres)

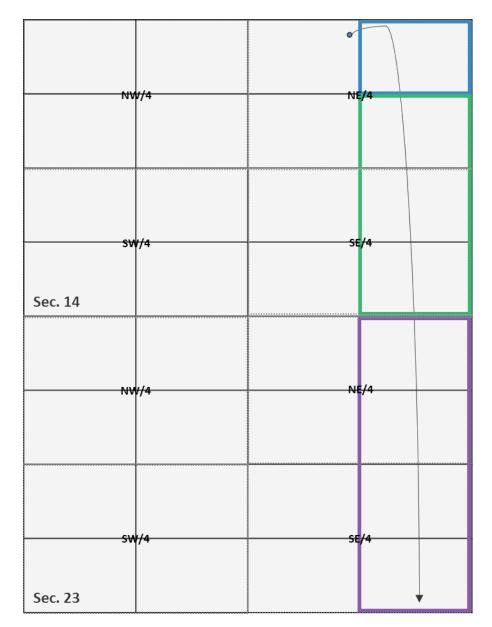
Tract 2: NM-63763 (160 Acres)

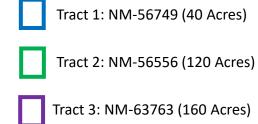
### Sapphire Fed Com 504H

19 South, 33 East, N.M.P.M.

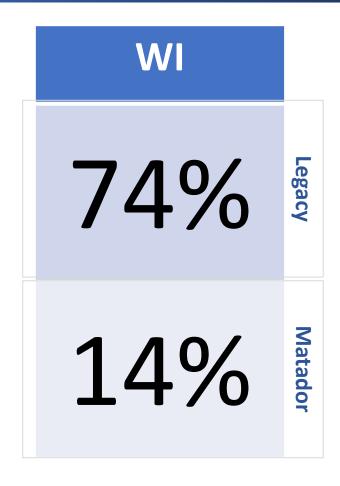
Section 14: E½E½ Section 23: E½E½

Lea County, New Mexico Bone Spring Formation



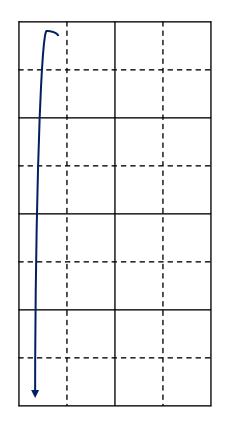


- Legacy controls 74.11% of the subject lands:
  - Overwhelming majority of WI
    - Case No. 22226 (Sapphire Fed Com 501H) **Legacy WI: 93.75**%
    - Case No. 22227 (Sapphire Fed Com 502H) Legacy WI: 73.22%
    - Case No. 22228 (Sapphire Fed Com 503H) Legacy WI: 75.00%
    - Case No. 22229 (Sapphire Fed Com 504H) Legacy WI: 54.48%
- Matador owns small interest (14.30% of subject lands)
  - Case No. 22413 (MJ 2314 Fed Com 121H Matador WI: 4.40%
  - Case No. 22414 (MJ 2314 Fed Com 122H Matador WI: 17.60%
  - Case No. 22415 (MJ 2314 Fed Com 123H Matador WI: 17.60%
  - Case No. 22416 (MJ 2314 Fed Com 124H Matador WI: 17.60%



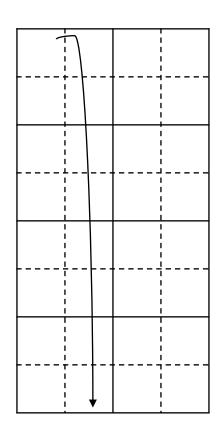
Sapphire Fed Com 501H

OWNER	INTEREST	STATUS
Legacy Reserves Operating LP	93.7500%	Committed
MRC Delaware Resources LLC	3.4617%	Uncommitted
Yates Energy Corporation	1.1474%	Uncommitted
MRC Spiral Resources LLC	0.4688%	Uncommitted
MRC Explorers Resources LLC	0.4688%	Uncommitted
Jalapeno Corporation	0.2734%	Committed
MCM Permian LLC	0.2737%	Uncommitted
Nadel & Gussman Capitan LLC	0.1563%	Uncommitted



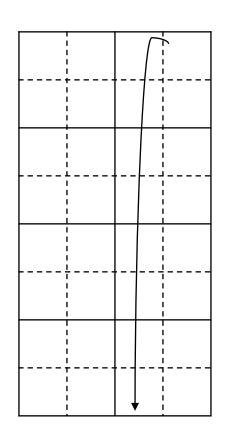
Sapphire Fed Com 502H

OWNER	INTEREST	STATUS
Legacy Reserves Operating LP	73.2180%	Committed
MRC Delaware Resources LLC	13.8468%	Uncommitted
Yates Energy Corporation	4.5895%	Uncommitted
MRC Spiral Resources LLC	1.8750%	Uncommitted
MRC Explorers Resources LLC	1.8750%	Uncommitted
Jalapeno Corporation	1.0938%	Committed
MCM Permian LLC	1.0949%	Uncommitted
Nadel & Gussman Capitan LLC	0.6250%	Uncommitted
Devon Energy Production Co., LP	1.0417%	Uncommitted
Nuevo Seis, LP	0.1389%	Uncommitted
Ball Oil & Gas LLC	0.0694%	Committed
James K. & Martha L. Lusk Trust	0.0694%	Uncommitted
Nuevo Seis, Inc.	0.0278%	Uncommitted
Texakota Oil Company	0.1015%	Uncommitted
Louis L. Borick	0.0556%	Uncommitted
Gross Family LP	0.1111%	Uncommitted
Francis T. Nash	0.1667%	Uncommitted



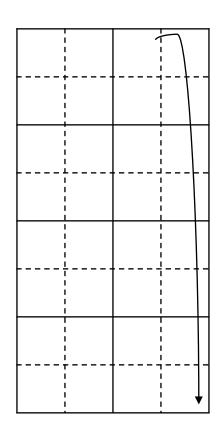
Sapphire Fed Com 503H

OWNER	INTEREST	STATUS
Legacy Reserves Operating LP	75.0000%	Committed
MRC Delaware Resources LLC	13.8468%	Uncommitted
Yates Energy Corporation	4.5895%	Uncommitted
MRC Spiral Resources LLC	1.8750%	Uncommitted
MRC Explorers Resources LLC	1.8750%	Uncommitted
Jalapeno Corporation	1.0938%	Committed
MCM Permian LLC	1.0949%	Uncommitted
Nadel & Gussman Capitan LLC	0.6250%	Uncommitted



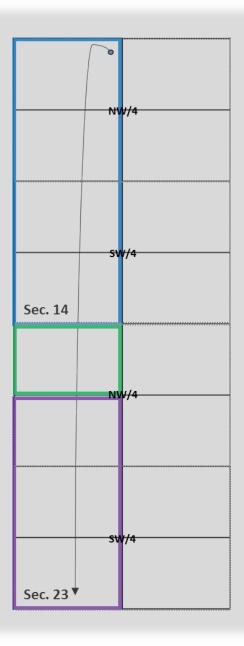
Sapphire Fed Com 504H

OWNER	INTEREST	STATUS
Legacy Reserves Operating LP	54.4792%	Committed
MRC Delaware Resources LLC	13.8468%	Uncommitted
Yates Energy Corporation	4.5895%	Uncommitted
MRC Spiral Resources LLC	1.8750%	Uncommitted
MRC Explorers Resources LLC	1.8750%	Uncommitted
Jalapeno Corporation	1.0938%	Committed
MCM Permian LLC	1.0949%	Uncommitted
Nadel & Gussman Capitan LLC	0.6250%	Uncommitted
Earthstone Energy, Inc.	7.5599%	Uncommitted
David J. Sorenson	3.7500%	Uncommitted
Sealy H. Cavin, Jr. and Synda Cavin, Trustees of the Cavin Trust	3.4688%	Uncommitted
Daniel W. Varel	2.3438%	Uncommitted
Frank & Robin Morgan	1.1250%	Uncommitted
Charles Warren Scott, Trustee of the Scott Brothers Trust	0.7500%	Uncommitted
Winn Investments	0.6000%	Uncommitted
Williamson Enterprises	0.5859%	Uncommitted
Nuevo Seis, LP	0.1875%	Uncommitted
Released to Imaging: 6/10/2022 1:07:05 PM Susan Scott Will phy	0.1500%	Uncommitted



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Working Interest (Tract Ownership) Sapphire Fed Com 501H



Tract 1: NM-56749 (160 Acres)

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

Tract 2: NM-63763 (40 Acres)

OWNER	NET ACRES	TRACT WI	STATUS
Legacy Reserves Operating LP	20.00	0.50000000	Committed
MRC Delaware Resources LLC	11.08	0.27693636	Uncommitted
Yates Energy Corporation	3.67	0.09179031	Uncommitted
MRC Spiral Resources LLC	1.50	0.03750000	Uncommitted
MRC Explorers Resources LLC	1.50	0.03750000	Uncommitted
Jalapeno Corporation	0.88	0.02187552	Committed
MCM Permian LLC	0.88	0.02189781	Uncommitted
Nadel & Gussman Capitan LLC	0.50	0.01250000	Uncommitted

Tract 3: NM-142570 (120 Acres)

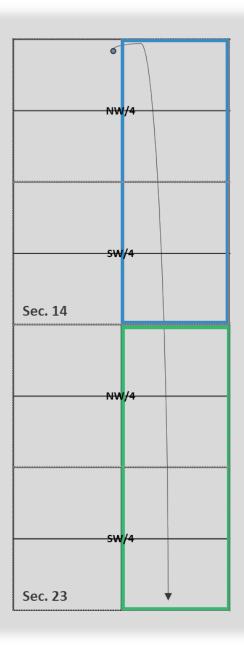
OWNER	NET ACRES	TRACT WI	STATUS
Legacy Reserves Operating LP	120.00	1.00000000	Committed

Oil Conservation Division Hearing – June 17, 2022 Case Nos. 22226 to 22229

Legacy Reserves Operating LP -Exhibit C-4

Received by OCD: 6/10/2022 12:56:58 PM

Working Interest (Tract Ownership) Sapphire Fed Com 502H



Tract 1A: NM-56749 (80 Acres)

OWNER	NET ACRES	TRACT WI	STATUS
Legacy Reserves Operating LP	80.00	1.00000000	Committed

Tract 1B: NM-56749 (40 Acres)

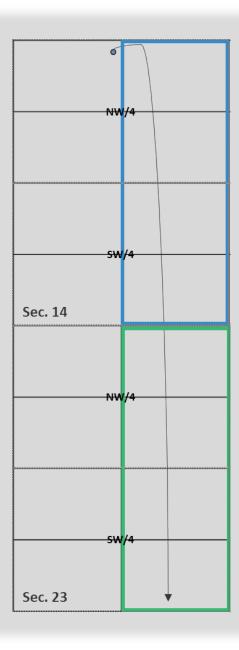
OWNER	NET ACRES	TRACT WI	STATUS
Legacy Reserves Operating LP	34.30	0.85743954	Committed
Devon Energy Production Co., LP	3.33	0.08333333	Uncommitted
Nuevo Seis, LP	0.44	0.01111113	Uncommitted
Ball Oil & Gas LLC	0.22	0.0055555	Committed
James K. & Martha L. Lusk Trust	0.22	0.00555555	Uncommitted
Nuevo Seis, Inc.	0.09	0.00222222	Uncommitted
Texakota Oil Company	0.32	0.00811600	Uncommitted
Louis L. Borick	0.18	0.00444444	Uncommitted
Gross Family LP	0.36	0.00888889	Uncommitted
Francis T. Nash	0.53	0.01333333	Uncommitted

Oil Conservation Division Hearing – June 17, 2022

Case Nos. 22226 to 22229

Legacy Reserves Operating LP -Exhibit C-4

### Working Interest (Tract Ownership) Sapphire Fed Com 502H (continued)

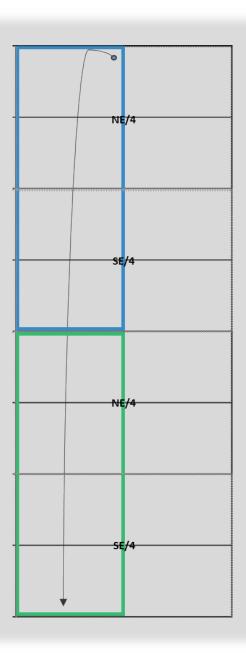


OWNER	NET ACRES	TRACT WI	STATUS
Legacy Reserves Operating LP	40.00	1.00000000	Committed

Tract 2: NM-56749 (160 Acres)

OWNER	NET ACRES	TRACT WI	STATUS
Legacy Reserves Operating LP	80.00	0.50000000	Committed
MRC Delaware Resources LLC	44.31	0.27693636	Uncommitted
Yates Energy Corporation	14.69	0.09179031	Uncommitted
MRC Spiral Resources LLC	6.00	0.03750000	Uncommitted
MRC Explorers Resources LLC	6.00	0.03750000	Uncommitted
Jalapeno Corporation	3.50	0.02187552	Committed
MCM Permian LLC	3.50	0.02189781	Uncommitted
Nadel & Gussman Capitan LLC	2.00	0.01250000	Uncommitted

Working Interest (Tract Ownership) Sapphire Fed Com 503H



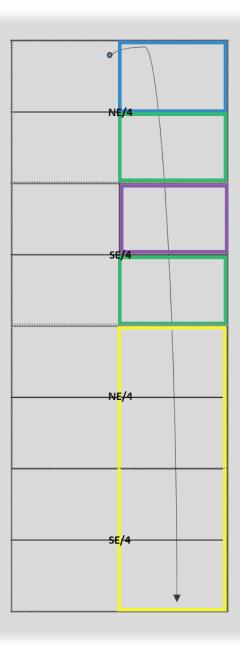
Tract 1: NM-56749 (160 Acres)

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

Tract 2: NM-63763 (160 Acres)

OWNER	NET ACRES	TRACT WI	STATUS
Legacy Reserves Operating LP	80.00	0.50000000	Committed
MRC Delaware Resources LLC	44.31	0.27693636	Uncommitted
Yates Energy Corporation	14.69	0.09179031	Uncommitted
MRC Spiral Resources LLC	6.00	0.03750000	Uncommitted
MRC Explorers Resources LLC	6.00	0.03750000	Uncommitted
Jalapeno Corporation	3.50	0.02187552	Committed
MCM Permian LLC	3.50	0.02189781	Uncommitted
Nadel & Gussman Capitan LLC	2.00	0.01250000	Uncommitted

Working Interest (Tract Ownership) Sapphire Fed Com 504H



Tract 1: NM-56749 (40 Acres)

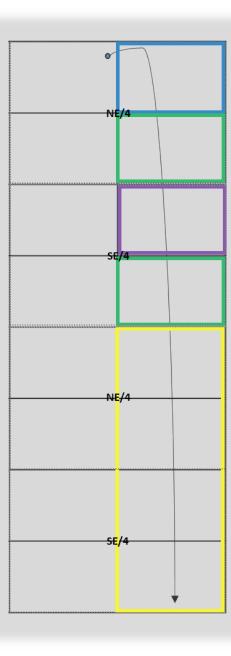
OWNER	NET ACRES	TRACT WI	STATUS
Legacy Reserves Operating LP	40.00	1.00000000	Committed

Tract 2: NM-056556 (80 Acres)

OWNER	NET ACRES	TRACT WI	STATUS
Legacy Reserves Operating LP	28.16	0.35198000	Committed
Earthstone Energy, Inc.	24.19	0.30239500	Uncommitted
David J. Sorenson	8.00	0.10000000	Uncommitted
Sealy H. Cavin, Jr. and Synda Cavin, Trustees of the Cavin Trust	7.40	0.09250000	Uncommitted
Daniel W. Varel	5.00	0.06250000	Uncommitted
Frank & Robin Morgan	2.40	0.03000000	Uncommitted
Charles Warren Scott, Trustee of the Scott Brothers Trust	1.60	0.02000000	Uncommitted
Winn Investments	1.28	0.01600000	Uncommitted
Williamson Enterprises	1.25	0.01562500	Uncommitted
Nuevo Seis, LP	0.40	0.00500000	Uncommitted
Susan Scott Murphy	0.32	0.00400000	Uncommitted

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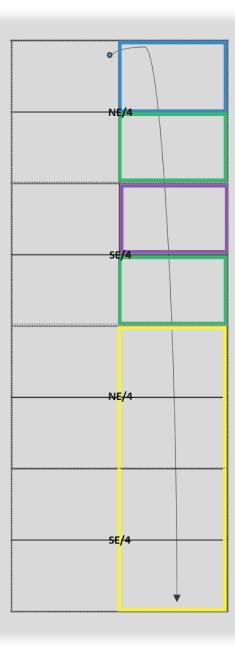
Working Interest (Tract Ownership) Sapphire Fed Com 504H (Continued)



Tract 3: NM-056556 (40 Acres)

OWNER	NET ACRES	TRACT WI	STATUS
Legacy Reserves Operating LP	26.17	0.65437500	Committed
David J. Sorenson	4	0.10000000	Uncommitted
Sealy H. Cavin, Jr. and Synda Cavin, Trustees of the Cavin Trust	3.7	0.09250000	Uncommitted
Daniel W. Varel	2.5	0.06250000	Uncommitted
Frank & Robin Morgan	1.2	0.03000000	Uncommitted
Charles Warren Scott, Trustee of the Scott Brothers Trust	0.8	0.02000000	Uncommitted
Winn Investments	0.64	0.01600000	Uncommitted
Williamson Enterprises	0.625	0.01562500	Uncommitted
Nuevo Seis, LP	0.2	0.00500000	Uncommitted
Susan Scott Murphy	0.16	0.00400000	Uncommitted

Working Interest (Tract Ownership) Sapphire Fed Com 504H (Continued)





OWNER	NET ACRES	TRACT WI	STATUS
Legacy Reserves Operating LP	80.00	0.50000000	Committed
MRC Delaware Resources LLC	44.31	0.27693636	Uncommitted
Yates Energy Corporation	14.69	0.09179031	Uncommitted
MRC Spiral Resources LLC	6.00	0.03750000	Uncommitted
MRC Explorers Resources LLC	6.00	0.03750000	Uncommitted
Jalapeno Corporation	3.50	0.02187552	Committed
MCM Permian LLC	3.50	0.02189781	Uncommitted
Nadel & Gussman Capitan LLC	2.00	0.01250000	Uncommitted



#### **VIA CERTIFIED MAIL**

July 29, 2021

Explorers Petro Corp PO Box 1933 Roswell, NM 82021

Re: Sapphire Federal Com #501H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

The estimated cost of drilling, testing, completing, and equipping of the well is itemized on the enclosed Authority for Expenditures ("AFE") dated April 20, 2021.

□ Sapphire Federal Com #501H: to be drilled from the legal location with a proposed surface hole location in the NW/4NW/4 (Lot D) of Section 14-19S-33E and a proposed bottom hole location in the SW/4SW/4 (Lot M) of Section 23-19S-33E. The well will have a targeted interval within the Bone Spring Formation and will be drilled horizontally in the Bone Spring (~9,950' TVD) to a measured depth of approximately 19,800'.

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 August 1, 2021, by and between Legacy Reserves Operating LP, as Operator and various Non-Operators, covers the W/4 of Sections 14 and 23, Township 19 South, Range 33 East, Lea County, New Mexico, being 320 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

Taylor Tho Director of	
[Enclosures	s.]
Explorers	Petro Corp hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #501H</b> well.
	Not to participate in the Sapphire Federal Com #501H.
Explorer	s Petro Corp
By:	(signature)
Title:	
Date:	
Phone:	



#### **VIA CERTIFIED MAIL**

July 29, 2021

Saba Energy of Texas Inc. 3201 Airpark Drive, Suite 201 Santa Maria, CA 84355

Re: Sapphire Federal Com #501H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

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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

LEGACI	RESERVES OF EXATING EF	
Taylor Thor Director of		
[Enclosures	s.]	
Saba Energ	gy of Texas Inc. hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE as Legacy's Sapphire Federal Com #501H well.  Not to participate in the Sapphire Federal Com #501H.	sociated with
Saba Ener	rgy of Texas Inc.	
By:	(signature)	
Title:		
Date:		
Phone:		



#### **VIA CERTIFIED MAIL**

July 29, 2021

Laurelind Corp. PO Box 2143 Roswell, NM 88202

Re: Sapphire Federal Com #501H Participation Proposal

Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

The estimated cost of drilling, testing, completing, and equipping of the well is itemized on the enclosed Authority for Expenditures ("AFE") dated April 20, 2021.

□ Sapphire Federal Com #501H: to be drilled from the legal location with a proposed surface hole location in the NW/4NW/4 (Lot D) of Section 14-19S-33E and a proposed bottom hole location in the SW/4SW/4 (Lot M) of Section 23-19S-33E. The well will have a targeted interval within the Bone Spring Formation and will be drilled horizontally in the Bone Spring (~9,950' TVD) to a measured depth of approximately 19,800'.

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 August 1, 2021, by and between Legacy Reserves Operating LP, as Operator and various Non-Operators, covers the W/4 of Sections 14 and 23, Township 19 South, Range 33 East, Lea County, New Mexico, being 320 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

Taylor Thor Director of	
[Enclosures	.]
Laurelind (	Corp. hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with
	Legacy's Sapphire Federal Com #501H well.
	Not to participate in the Sapphire Federal Com #501H.
Laurelind	Corp.
By:	(signature)
Title:	
Date:	
Phone:	



#### **VIA CERTIFIED MAIL**

July 29, 2021

Spiral Inc. PO Box 1933 Roswell, NM 88202

Re: Sapphire Federal Com #501H
Participation Proposal
Lea County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

The estimated cost of drilling, testing, completing, and equipping of the well is itemized on the enclosed Authority for Expenditures ("AFE") dated April 20, 2021.

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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 August 1, 2021, by and between Legacy Reserves Operating LP, as Operator and various Non-Operators, covers the W/4 of Sections 14 and 23, Township 19 South, Range 33 East, Lea County, New Mexico, being 320 acres, more or less, with the following general provisions:

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- \$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

Taylor Thore Director of L		
[Enclosures.]		
<b>Spiral Inc.</b> h	Participate for its proportionate share of the costs detailed in the enclosed AFE a Legacy's <b>Sapphire Federal Com #501H</b> well.  Not to participate in the <b>Sapphire Federal Com #501H</b> .	associated with
Spiral Inc.		
By:	(signature)	
Title:		
Date:		
Phone:		



VIA CERTIFIED MAIL

July 29, 2021

ConocoPhillips Company 600 W. Illinois Ave. Midland, TX 79701

Re: Sapphire Federal Com #501H
Participation Proposal
Lea County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

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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

to	WESERVES OF ENTITIVE EI
0 1	,
Taylor Tho	reson
Director of	
[Enclosures	s.]
ConocoPhi	illips Company hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #501H</b> well.
	Not to participate in the Sapphire Federal Com #501H.
ConocoPl	hillips Company
By:	
— J ·	(signature)
Title:	
Date:	
Phone:	



VIA CERTIFIED MAIL

July 29, 2021

MRC Delaware Resources LLC 5900 LBJ Freeway, Suite 1500 Dallas, TX 75240

Re: Sapphire Federal Com #501H
Participation Proposal
Lea County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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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.

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

Taylor Tho	
[Enclosures	·]
MRC Dela	ware Resources LLC hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #501H well.
MRC Del	Not to participate in the Sapphire Federal Com #501H.  aware Resources LLC
By:	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Yates Energy Corporation PO Box 2323 Roswell, NM 88202-2323

Re: Sapphire Federal Com #501H
Participation Proposal
Lea County, New Mexico

## Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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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 August 1, 2021, by and between Legacy Reserves Operating LP, as Operator and various Non-Operators, covers the W/4 of Sections 14 and 23, Township 19 South, Range 33 East, Lea County, New Mexico, being 320 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.

Sincerely,

LLGITCI	RESERVES OF ERRITING EF
Taylor The Director o	
[Enclosure	es.]
Yates Ene	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #501H well.
	Not to participate in the Sapphire Federal Com #501H.
Yates Er	nergy Corporation
By:	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

MRC Spiral Resources LLC 5900 LBJ Freeway, Suite 1500 Dallas, TX 75240

Re: Sapphire Federal Com #501H
Participation Proposal
Lea County, New Mexico

## Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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

Sincerely,

Taylor Thoro Director of I	
[Enclosures.	
MRC Spira	Resources LLC hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #501H</b> well.
	Not to participate in the Sapphire Federal Com #501H.
MRC Spir	al Resources LLC
By:	(signature)
Title:	(-8)
Date:	
Phone:	



July 29, 2021

MRC Explorers Resources LLC 5900 LBJ Freeway, Suite 1500 Dallas, TX 75240

Re: Sapphire Federal Com #501H
Participation Proposal
Lea County, New Mexico

## Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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

Sincerely,

LEGACT	RESERVES OF ERATING LI	
TV	W The state of the	
Taylor Thore		
Director of I	Land	
[Enclosures.	.1	
MRC Explo	orers Resources LLC hereby elects to:	
	Participate for its proportionate share of the costs detailed in the enclosed AFE a Legacy's <b>Sapphire Federal Com #501H</b> well.	associated with
	Not to participate in the Sapphire Federal Com #501H.	
MRC Exp	olorers Resources LLC	
By:		
Dy.	(signature)	
Title:		
Date:		
Phone:		



July 29, 2021

Jalapeno Corporation PO Box 1608 Albuquerque, NM 87103-1608

Re: Sapphire Federal Com #501H
Participation Proposal
Lea County, New Mexico

## Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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

Sincerely,

Taylor Thor Director of I	
[Enclosures.	
Jalapeno C	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #501H well.
Jalapeno (	Not to participate in the Sapphire Federal Com #501H.  Corporation
Dy.	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

MCM Permian LLC PO Box 1540 Midland, TX 79702

Re: Sapphire Federal Com #501H Participation Proposal

Lea County, New Mexico

## Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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

Sincerely,

Taylor Thor Director of I	
[Enclosures.	
MCM Perm	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #501H well.  Not to participate in the Sapphire Federal Com #501H.
MCM Per	mian LLC
By:	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Nadel & Gussman Capitan LLC 15 East 5th Street, Suite 3200 Tulsa, OK 74103

Re: Sapphire Federal Com #501H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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

Sincerely,

LEGACY RESERVES OPERATING LP

The	
Taylor Thoreson	
Director of Land	
[Enclosures.]	
Nadel & Gussman Capitan LLC he	ereby elects to:
	ortionate share of the costs detailed in the enclosed AFE associated with deral Com #501H well.
Legacy's Sapphire Fed	
Legacy's Sapphire Fed	leral Com #501H well.
Legacy's Sapphire Fed  Not to participate in the	deral Com #501H well. e Sapphire Federal Com #501H.
Not to participate in the  Nadel & Gussman Capitan LLC	leral Com #501H well.
Not to participate in the  Nadel & Gussman Capitan LLC	deral Com #501H well. e Sapphire Federal Com #501H.

Phone:



July 29, 2021

COG Operating LLC 600 W. Illinois Ave. Midland, TX 79701

Re: Sapphire Federal Com #501H
Participation Proposal
Lea County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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

Sincerely,

Taylor Thoreson Director of Land		
[Enclosures.]		
COG Operating LLC h	nereby elects to:	
	for its proportionate share of the costs detailed in the enclosed AFE apphire Federal Com #501H well.	associated with
Not to part	ticipate in the Sapphire Federal Com #501H.	
COG Operating LLC		
Ву:	(signature)	
Title:		
Date:		
Phone:		



July 29, 2021

Explorers Petro Corp. PO Box 1933 Roswell, NM 82021

Re: Sapphire Federal Com #502H
Participation Proposal
Lea County, New Mexico

## Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #502H, (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

The estimated cost of drilling, testing, completing, and equipping of the well is itemized on the enclosed Authority for Expenditures ("AFE") dated April 20, 2021.

□ **Sapphire Federal Com #502H:** to be drilled from the legal location with a proposed surface hole location in the NW/4NW/4 (Lot D) of Section 14-19S-33E and a proposed bottom hole location in the SE/4SW/4 (Lot N) of Section 23-19S-33E. The well will have a targeted interval within the Bone Spring Formation and will be drilled horizontally in the Bone Spring (~9,950' TVD) to a measured depth of approximately 19,800'.

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

Taylor Thoreson Director of Land		
Director of Lanc	ı	
[Enclosures.]		
	Corp. hereby elects to:	
	rticipate for its proportionate share of the costs detailed in the enclosed AFE egacy's <b>Sapphire Federal Com #502H</b> well.	associated with
No	ot to participate in the Sapphire Federal Com #502H.	
Explorers Pet	ro Corp.	
Ву:		
	(signature)	
Title:		
Date:		
Phone:		



July 29, 2021

Saba Energy of Texas Inc. 3201 Airpark Drive Suite 201 Santa Maria, CA 84355

Re: Sapphire Federal Com #502H
Participation Proposal
Lea County, New Mexico

## Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #502H, (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

The estimated cost of drilling, testing, completing, and equipping of the well is itemized on the enclosed Authority for Expenditures ("AFE") dated April 20, 2021.

□ **Sapphire Federal Com #502H:** to be drilled from the legal location with a proposed surface hole location in the NW/4NW/4 (Lot D) of Section 14-19S-33E and a proposed bottom hole location in the SE/4SW/4 (Lot N) of Section 23-19S-33E. The well will have a targeted interval within the Bone Spring Formation and will be drilled horizontally in the Bone Spring (~9,950' TVD) to a measured depth of approximately 19,800'.

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 August 1, 2021, by and between Legacy Reserves Operating LP, as Operator and various Non-Operators, covers the E/2 W/2 of Sections 14 and 23, Township 19 South, Range 33 East, Lea County, New Mexico, being 320 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.

Sincerely,

th	M
Taylor Tho	
Director of	Land
[Enclosures	s.]
L	
Saba Ener	gy of Texas Inc. hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #502H well.
	Not to participate in the Sapphire Federal Com #502H.
Saba Ene	ergy of Texas Inc.
Бу.	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Laurelind Corp. PO Box 2143 Roswell, NM 88202

Re: Sapphire Federal Com #502H Participation Proposal Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #502H, (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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

Sincerely,

LEGACY RESERVES OPERATING LP

Taylor Thore Director of I	
[Enclosures.]	
Laurelind C	Corp. hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #502H</b> well.
	Not to participate in the Sapphire Federal Com #502H.
Laurelind	Corp.
By:	(signature)
Title:	(organisate)

Phone:



July 29, 2021

Spiral Inc PO Box 1933 Roswell, NM 88202

Re: Sapphire Federal Com #502H Participation Proposal

Lea County, New Mexico

## Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #502H, (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- Legacy Reserves Operating LP named as Operator.

Sincerely,

LEGACY RESERVES OPERATING LP

Taylor Thor Director of I	
[Enclosures.	
Spiral Inc. l	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #502H</b> well.  Not to participate in the <b>Sapphire Federal Com #502H</b> .
Spiral Inc.	
By:	(signature)
Title: Date:	

Phone:



July 29, 2021

ConocoPhillips Company 600 W. Illinois Ave. Midland, TX 79701

Re: Sapphire Federal Com #502H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #502H, (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \* \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

LEGACY RESERVES OPERATING LP

Taylor Thore	
[Enclosures.]	
ConocoPhill	lips Company hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #502H</b> well.
	Not to participate in the Sapphire Federal Com #502H.
ConocoPhi	illips Company
By:	
	(signature)
Title:	
Date:	

Phone:



July 29, 2021

MRC Delaware Resources LLC 5900 LBJ Freeway, Suite 1500 Dallas, TX 75240

Re: Sapphire Federal Com #502H Participation Proposal Lea County, New Mexico

## Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #502H, (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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

Sincerely,

Date: Phone:

Taylor Thore Director of L	and
[Enclosures.]	
MRC Delaw	are Resources LLC hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #502H</b> well.
	Not to participate in the Sapphire Federal Com #502H.
MRC Dela	ware Resources LLC
By:	(signature)
Title:	



July 29, 2021

Yates Energy Corporation PO Box 2323 Roswell, NM 88202-2323

Re: Sapphire Federal Com #502H
Participation Proposal
Lea County, New Mexico

## Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #502H, (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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

Sincerely,

to	M
Taylor Tho	
Director of	Land
[Enclosure	s.]
Yates Ene	rgy Corporation hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #502H</b> well.
	Not to participate in the Sapphire Federal Com #502H.
Yates En	ergy Corporation
By:	
3	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

MRC Spiral Resources LLC 5900 LBJ Freeway, Suite 1500 Dallas, TX 75240

Re: Sapphire Federal Com #502H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #502H, (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

ty	
Taylor Thor Director of	reson Land
[Enclosures	
MRC Spira	al Resources LLC hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #502H</b> well.
	Not to participate in the Sapphire Federal Com #502H.
MRC Spin	ral Resources LLC
By:	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

MRC Explorers Resources LLC 5900 LBJ Freeway, Suite 1500 Dallas, TX 75240

Re: Sapphire Federal Com #502H
Participation Proposal
Lea County, New Mexico

Dear Sir/Madam:

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

LEGACIA	ESERVES OF ERATING EF
tr	W
Taylor Thore	
Director of L	and
[Enclosures.]	
MRC Explo	rers Resources LLC hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #502H</b> well.
	Not to participate in the Sapphire Federal Com #502H.
	1 1 WHI STATE
MRC Expl	orers Resources LLC
By:	
- <b>J</b> ·	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Jalapeno Corporation PO Box 1608 Albuquerque, NM 87103-1608

Re: Sapphire Federal Com #502H Participation Proposal Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #502H, (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \* \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

LEGACY RESERVES OPERATING LP

Taylor Thoreson Director of Land	
[Enclosures.]	
Jalapeno Corporation hereby elects to:  Participate for its proportionate share of the cost Legacy's Sapphire Federal Com #502H well.  Not to participate in the Sapphire Federal Con	
Jalapeno Corporation	
By: (signature)	
Title:	
Date:	

Phone:



July 29, 2021

MCM Permian LLC PO Box 1540 Midland, TX 79702

Re: Sapphire Federal Com #502H
Participation Proposal
Lea County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #502H, (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \* \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

Date: Phone:

Taylor Thor Director of I	
[Enclosures.	.]
MCM Pern	nian LLC hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #502H</b> well.
	Not to participate in the Sapphire Federal Com #502H.
MCM Per	rmian LLC
By:	(signature)
Title:	(signature)



July 29, 2021

Nadel & Gussman Capitan LLC 15 East 5th Street, Suite 3200 Tulsa, OK 74103

Re: Sapphire Federal Com #502H
Participation Proposal
Lea County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #502H, (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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

Sincerely,

Taylor Thoreson Director of Land
Enclosures.]
Madel & Gussman Capitan LLC hereby elects to:
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #502H</b> well.
Not to participate in the Sapphire Federal Com #502H.
Nadel & Gussman Capitan LLC
By:(signature)
Title:
Date:
Phone:



July 29, 2021

COG Operating LLC 600 W. Illinois Ave. Midland, TX 79701

Re: Sapphire Federal Com #502H
Participation Proposal
Lea County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #502H, (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

LEGACY	RESERVES OPERATING LP
ty	
Taylor Thor	reson
Director of	Land
[Enclosures	.1
COG Oper	ating LLC hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #502H</b> well.
	Not to participate in the Sapphire Federal Com #502H.
	Two to participate in the Supplime I edit at Com #50211.
COG Ope	erating LLC
By:	
•	(signature)
Title:	
Date:	
Phone:	· · · · · · · · · · · · · · · · · · ·
i iione.	



July 29, 2021

Explorers Petro Corp. PO Box 1933 Roswell, NM 82021

Re: Sapphire Federal Com #503H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #503H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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

Sincerely,

LL G. IC I IG	ESERVES OF ERRIFING EF	
TV	W	
Taylor Thores		
Director of La	and	
[Enclosures.]		
[,		
<b>Explorers Pe</b>	etro Corp. hereby elects to:	
	Participate for its proportionate share of the costs detailed in the enclosed AFE Legacy's <b>Sapphire Federal Com #503H</b> well.	associated with
	Not to participate in the Sapphire Federal Com #503H.	
	Not to participate in the Sappinite Federal Com #30311.	
Explorers P	Petro Corn	
Explorers	cuo corp.	
By:		
Dy.	(signature)	
m: 1		
Title:		
Date:		
Phone:		



July 29, 2021

Saba Energy of Texas Inc 3201 Airpark Drive Suite 201 Santa Maria, CA 84355

Re: Sapphire Federal Com #503H Participation Proposal Lea County, New Mexico

#### Dear Sir/Madam:

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  - □ **Sapphire Federal Com #503H:** to be drilled from the legal location with a proposed surface hole location in the NW/4NE/4 (Lot B) of Section 14-19S-33E and a proposed bottom hole location in the SW/4SE/4 (Lot O) of Section 23-19S-33E. The well will have a targeted interval within the Bone Spring Formation and will be drilled horizontally in the Bone Spring (~9,950' TVD) to a measured depth of approximately 19,800'.

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

Sincerely,

LEGACY RESERVES OPERATING LP

Taylor Thore		
[Enclosures.]	I	
Saba Energ	y of Texas Inc. hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE Legacy's Sapphire Federal Com #503H well.  Not to participate in the Sapphire Federal Com #503H.	associated with
Saba Energ	gy of Texas Inc.	
By:	(signature)	
Title: Date:		

Phone:



July 29, 2021

Laurelind Corp. PO Box 2143 Roswell, NM 88202

Re: Sapphire Federal Com #503H Participation Proposal Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #503H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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Sincerely,

LEGACT KI	ESERVES OF ERATING EF
TV	
Taylor Thores	
Director of La	and
[Enclosures.]	
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #503H well.  Not to participate in the Sapphire Federal Com #503H.
Laurelind C	Corp.
By:	
-,	(signature)
Title:	
Date:	
Phone:	
rnone:	



July 29, 2021

Spiral Inc. PO Box 1933 Roswell, NM 88202

Re: Sapphire Federal Com #503H Participation Proposal Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #503H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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Sincerely,

Taylor Thoreso Director of Lan	
[Enclosures.]	
	reby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #503H well.  Not to participate in the Sapphire Federal Com #503H.
Spiral Inc.	
By:	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

ConocoPhillips Company 600 W. Illinois Ave. Midland, TX 79701

Re: Sapphire Federal Com #503H Participation Proposal Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #503H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- Legacy Reserves Operating LP named as Operator.

Sincerely,

LEGACY RESERVES OPERATING LP

Taylor Thoro	
[Enclosures.]	
ConocoPhil	lips Company hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #503H well.
	Not to participate in the Sapphire Federal Com #503H.
ConocoPhi	illips Company
By:	(signature)
Title:	
Date:	

Phone:



July 29, 2021

MRC Delaware Resources LLC 5900 LBJ Freeway, Suite 1500 Dallas, TX 75240

Re: Sapphire Federal Com #503H Participation Proposal Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #503H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- Legacy Reserves Operating LP named as Operator.

Sincerely,

ELGITOT RESERVES OF ERRITING ET	
the	
Taylor Thoreson Director of Land	
Director of Land	
[Enclosures.]	
MRC Delaware Resources LLC hereby elects to:	
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #503H</b> well.	
Not to participate in the Sapphire Federal Com #503H.	
MRC Delaware Resources LLC	
By:	
(signature)	
Title:	
Date:	
Phone:	



July 29, 2021

Yates Energy Corporation PO Box 2323 Roswell, NM 88202-2323

Re: Sapphire Federal Com #503H Participation Proposal Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #503H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

LEGACY R	ESERVES OPERATING LP
TV	W
Taylor Thore	eson
Director of L	and
[Enclosures.]	
[LifeTosures.]	
Yates Energ	y Corporation hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #503H</b> well.
	Not to participate in the Sapphire Federal Com #503H.
	1 tot to participate in the Sappinite i ederal Com #30011.
Yates Ener	gy Corporation
By:	
	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

MRC Spiral Resources LLC 5900 LBJ Freeway, Suite 1500 Dallas, TX 75240

Re: Sapphire Federal Com #503H Participation Proposal Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #503H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- Legacy Reserves Operating LP named as Operator.

Sincerely,

LEGACIA	RESERVES OF ERATING LI	
tr	M	
Taylor Thore	eson	
Director of L	Land	
[Enclosures.]	]	
MRC Spiral	ll Resources LLC hereby elects to:	
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated associated as a second secon	ociated with
	Not to participate in the Sapphire Federal Com #503H.	
MRC Spira	ral Resources LLC	
D		
By:	(signature)	
	(bigilation)	
Title:		
Date:		
Phone:		



July 29, 2021

MRC Explorers Resources LLC 5900 LBJ Freeway, Suite 1500 Dallas, TX 75240

Re: Sapphire Federal Com #503H Participation Proposal Lea County, New Mexico

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Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #503H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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Sincerely,

tr	W Salaran Sala
Taylor Thor Director of I	
[Enclosures.	]
MRC Explo	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #503H well.  Not to participate in the Sapphire Federal Com #503H.
MRC Exp	lorers Resources LLC
By:	(signature)
Title:	(signature)
Date:	
Phone:	



July 29, 2021

Jalapeno Corporation PO Box 1608 Albuquerque, NM 87103-1608

Re: Sapphire Federal Com #503H Participation Proposal Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #503H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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Sincerely,

Taylor Thoreso Director of Lan	
[Enclosures.]	
P L	oration hereby elects to:  articipate for its proportionate share of the costs detailed in the enclosed AFE associated with egacy's Sapphire Federal Com #503H well.  ot to participate in the Sapphire Federal Com #503H.
Jalapeno Cor	poration
Ву:	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

MCM Permian LLC PO Box 1540 Midland, TX 79702

Re: Sapphire Federal Com #503H Participation Proposal Lea County, New Mexico

### Dear Sir/Madam:

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Sincerely,

LEGACT RESERVES OF ERATING LI				
the				
Taylor Thoreson				
Director of Land				
[Enclosures.]				
MCM Permian LLC hereby elects to:				
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #503H</b> well.				
Not to participate in the Sapphire Federal Com #503H.				
Not to participate in the <b>Sappinite Federal Com #30311</b> .				
MCM Permian LLC				
By:				
(signature)				
Title:				
Date:				
Phone:				



July 29, 2021

Nadel & Gussman Capitan LLC 15 East 5th Street, Suite 3200 Tulsa, OK 74103

Re: Sapphire Federal Com #503H Participation Proposal Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #503H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- Legacy Reserves Operating LP named as Operator.

Sincerely,

Taylor Thor Director of I	
[Enclosures.	.]
Nadel & Gu	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #503H well.  Not to participate in the Sapphire Federal Com #503H.
Nadel & C	Gussman Capitan LLC
By:	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

COG Operating LLC 600 W. Illinois Ave. Midland, TX 79701

Re: Sapphire Federal Com #503H Participation Proposal Lea County, New Mexico

### Dear Sir/Madam:

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Sincerely,

LEGACY	RESERVES OPERATING LP
th	M
Taylor Tho	
Director of	Land
[Enclosures	3.]
COG Oper	rating LLC hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #503H</b> well.
	Not to participate in the Sapphire Federal Com #503H.
COG Ope	erating LLC
By:	
•	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Explorers Petro Corp. PO Box 1933 Roswell, NM 82021

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

LEGACY RESERVES OPERATING LP

Taylor Thores Director of La		
[Enclosures.]		
	Participate for its proportionate share of the costs detailed in the enclosed AFE a Legacy's <b>Sapphire Federal Com #504H</b> well.  Not to participate in the <b>Sapphire Federal Com #504H</b> .	associated with
Explorers P	Petro Corp.	
By:	(signature)	
Title:		
Date:		

Phone:



July 29, 2021

Saba Energy of Texas Inc 3201 Airpark Drive Suite 201 Santa Maria, CA 84355

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

TV	
Taylor Thore Director of L	
[Enclosures.]	
Saba Energy	of Texas Inc. hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #504H well.
	Not to participate in the Sapphire Federal Com #504H.
Saba Energ	gy of Texas Inc.
By:	
	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Laurelind Corp. PO Box 2143 Roswell, NM 88202

Re: Sapphire Federal Com #504H Participation Proposal

Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea 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 April 20, 2021.

□ Sapphire Federal Com #504H: to be drilled from the legal location with a proposed surface hole location in the NW/4NE/4 (Lot B) of Section 14-19S-33E and a proposed bottom hole location in the SE/4SE/4 (Lot P) of Section 23-19S-33E. The well will have a targeted interval within the Bone Spring Formation and will be drilled horizontally in the Bone Spring (~9,950' TVD) to a measured depth of approximately 19,800'.

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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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

LEGACT RESERVES OF ERATING LI
the
Taylor Thoreson
Director of Land
[Enclosures.]
[Enclosures.]
I amaliad Com handra de te
Laurelind Corp. hereby elects to:
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #504H</b> well.
Not to participate in the Sapphire Federal Com #504H.
Laurelind Corp.
D
By:(signature)
Title:
Date:
Phone:



July 29, 2021

Spiral Inc. PO Box 1933 Roswell, NM 88202

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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Sincerely,

Taylor Thoreson Director of Land		
[Enclosures.]		
Spiral Inc. h	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #504H</b> well.  Not to participate in the <b>Sapphire Federal Com #504H</b> .	
Spiral Inc.		
By:	(signature)	
Title:		
Date:		
Phone:		



July 29, 2021

ConocoPhillips Company 600 W. Illinois Ave. Midland, TX 79701

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- Legacy Reserves Operating LP named as Operator.

Sincerely,

Taylor Thoreso Director of Lan	
[Enclosures.]	
I	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #504H well.  Not to participate in the Sapphire Federal Com #504H.
ConocoPhill	ips Company
By:	(signature)
Title:	
Date:	
Dhonor	



July 29, 2021

MRC Delaware Resources LLC 5900 LBJ Freeway, Suite 1500 Dallas, TX 75240

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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Sincerely,

LEGICT KES	ENVES OF ENATING EF
ty	
Taylor Thoreson	1
Director of Land	
[Enclosures.]	
[	
MRC Delaward	e Resources LLC hereby elects to:
	articipate for its proportionate share of the costs detailed in the enclosed AFE associated with egacy's <b>Sapphire Federal Com #504H</b> well.
N	ot to participate in the Sapphire Federal Com #504H.
MRC Delawa	re Resources LLC
D.,,	
By:	(signature)
	(Signature)
Title:	
Date:	
Phone:	



July 29, 2021

Yates Energy Corporation PO Box 2323 Roswell, NM 88202-2323

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,



July 29, 2021

MRC Spiral Resources LLC 5900 LBJ Freeway, Suite 1500 Dallas, TX 75240

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

LEGACY	RESERVES OF ERATING LF
ty	n)
Taylor Thor	eson
Director of I	
[Enclosures.	]
MRC Spira	ll Resources LLC hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #504H</b> well.
	Not to participate in the Sapphire Federal Com #504H.
	The to passes in the supplied I during some new 122.
MRC Spir	ral Resources LLC
By:	
-	(signature)
Title:	
Date:	
Phone:	· · · · · · · · · · · · · · · · · · ·
i none.	



July 29, 2021

MRC Explorers Resources LLC 5900 LBJ Freeway, Suite 1500 Dallas, TX 75240

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

Taylor Thoreson Director of Land	
[Enclosures.]	
MRC Explorers Resources LLC hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed A Legacy's Sapphire Federal Com #504H well.  Not to participate in the Sapphire Federal Com #504H.	AFE associated with
MRC Explorers Resources LLC	
By: (signature)	<del></del>
Title:	
Date:	
Phone:	



July 29, 2021

Jalapeno Corporation PO Box 1608 Albuquerque, NM 87103-1608

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

LEGACT KES	ERVES OF ERATING LI
typ	
Taylor Thoreso	
Director of Lan	d
[Enclosures.]	
,	
Jalapeno Corp	oration hereby elects to:
	articipate for its proportionate share of the costs detailed in the enclosed AFE associated with egacy's <b>Sapphire Federal Com #504H</b> well.
N	ot to participate in the Sapphire Federal Com #504H.
	or to participate in the supplime reacting continuous.
Jalapeno Cor	poration
•	•
By:	
	(signature)
Title:	
Date:	
Phone:	
1 HOHE.	



July 29, 2021

MCM Permian LLC PO Box 1540 Midland, TX 79702

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

LEGACY RESERVES OPERATING LP

Taylor Thores Director of La		
[Enclosures.]		
	ian LLC hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE a Legacy's Sapphire Federal Com #504H well.  Not to participate in the Sapphire Federal Com #504H.	associated with
MCM Pern	nian LLC	
By:	(signature)	
Title:		
Date:		

Phone:



July 29, 2021

Nadel & Gussman Capitan LLC 15 East 5th Street, Suite 3200 Tulsa, OK 74103

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- Legacy Reserves Operating LP named as Operator.

Sincerely,

Taylor Thoreson Director of Land	
[Enclosures.]	
Participate for its proportionate share of the costs detailed in the enclosed AFE associated v Legacy's Sapphire Federal Com #504H well.  Not to participate in the Sapphire Federal Com #504H.	vith
Nadel & Gussman Capitan LLC	
By:(signature)	
Title:	
Date:	
Phone:	



July 29, 2021

COG Operating LLC 600 W. Illinois Ave. Midland, TX 79701

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- Legacy Reserves Operating LP named as Operator.

Sincerely,

LEGACT KE	SERVES OF ERATING EF
tr	
Taylor Thores	
Director of La	nd
[Enclosures.]	
COG Operati	ing LLC hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #504H</b> well.
	Not to participate in the Sapphire Federal Com #504H.
COG Opera	ting LLC
By:	
	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Chisholm Energy Holdings LLC 801 Cherry St., Suite 1200 Ft. Worth, TX 76102

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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Sincerely,

Taylor Thoreso Director of Lan	
[Enclosures.]	
P	rgy Holdings LLC hereby elects to: articipate for its proportionate share of the costs detailed in the enclosed AFE associated with egacy's Sapphire Federal Com #504H well.  Tot to participate in the Sapphire Federal Com #504H.
Chisholm En	ergy Holdings LLC
Ву:	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

David J. Sorenson PO Box 1453 Roswell, NM 88202

Re: Sapphire Federal Com #504H Participation Proposal

Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

Taylor Thore	
[Enclosures.]	
David J. Soi	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #504H well.  Not to participate in the Sapphire Federal Com #504H.
David J. Se	orenson
By:	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Sealy H. Cavin, Jr. and Synda Cavin, Trustees of the Cavin Trust PO Box 1216 Albuquerque, NM 87103

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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  - □ Sapphire Federal Com #504H: to be drilled from the legal location with a proposed surface hole location in the NW/4NE/4 (Lot B) of Section 14-19S-33E and a proposed bottom hole location in the SE/4SE/4 (Lot P) of Section 23-19S-33E. The well will have a targeted interval within the Bone Spring Formation and will be drilled horizontally in the Bone Spring (~9,950' TVD) to a measured depth of approximately 19,800'.

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 August 1, 2021, by and between Legacy Reserves Operating LP, as Operator and various Non-Operators, covers the E/4 of Sections 14 and 23, Township 19 South, Range 33 East, Lea County, New Mexico, being 320 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.

Sincerely,

LEGACY RESERVES OPERATING LP

Taylor Thores Director of La		
[Enclosures.]		
	in, Jr. and Synda Cavin, Trustees of the Cavin Trust hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE a Legacy's Sapphire Federal Com #504H well.  Not to participate in the Sapphire Federal Com #504H.	associated with
Sealy H. Ca	vin, Jr. and Synda Cavin, Trustees of the Cavin Trust	
By:		
	(signature)	
Title:		
Date:		

Phone:



July 29, 2021

Daniel W. Varel PO Box 21056 Dallas, TX 75220

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea 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 April 20, 2021.
  - □ Sapphire Federal Com #504H: to be drilled from the legal location with a proposed surface hole location in the NW/4NE/4 (Lot B) of Section 14-19S-33E and a proposed bottom hole location in the SE/4SE/4 (Lot P) of Section 23-19S-33E. The well will have a targeted interval within the Bone Spring Formation and will be drilled horizontally in the Bone Spring (~9,950' TVD) to a measured depth of approximately 19,800'.

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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 August 1, 2021, by and between Legacy Reserves Operating LP, as Operator and various Non-Operators, covers the E/4 of Sections 14 and 23, Township 19 South, Range 33 East, Lea County, New Mexico, being 320 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.

Sincerely,

the				
aylor Thoreson irector of Land				
Enclosures.]				
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #504H well.  Not to participate in the Sapphire Federal Com #504H.				
Daniel W. Varel				
By:(signature)				
Title:				
Date:				
Phone:				



July 29, 2021

Frank & Robin Morgan PO Drawer I Artesia, NM 88211

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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

Sincerely,

Taylor Thoreson Director of Land  [Enclosures.]				
Frank & R	obin Morgan			
By:	(signature)			
Title:				
Date:				
Phone:				



July 29, 2021

Charles Warren Scott, Trustee of the Scott Brothers Trust c/o Scott Exploration Inc 500 N Kentucky Ave Roswell, NM 88201

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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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 August 1, 2021, by and between Legacy Reserves Operating LP, as Operator and various Non-Operators, covers the E/4 of Sections 14 and 23, Township 19 South, Range 33 East, Lea County, New Mexico, being 320 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.

Sincerely,

LEGACY RESERVES OPERATING LP

Taylor Thore		
[Enclosures.]	]	
Charles Wa	Participate for its proportionate share of the costs detailed in the enclosed AFE as Legacy's <b>Sapphire Federal Com #504H</b> well.  Not to participate in the <b>Sapphire Federal Com #504H</b> .	ssociated with
	Varren Scott, Trustee of the Scott Brothers Trust	
By:	(signature)	
Title:		
Date:		

Phone:



July 29, 2021

Winn Investments 706 W. Brazos Roswell, NM 88201

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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

Sincerely,

LEGICI KI	ESERVES OF ERATING EF
TV	W
Taylor Thores	
Director of La	and
[Enclosures.]	
Winn Investr	ments hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #504H</b> well.
	Not to participate in the Sapphire Federal Com #504H.
	Two to participate in the Supplime Federal Com #50 11.
Winn Inves	tments
By:	
Dy.	(signature)
m' d	
Title:	
Date:	
Phone:	



July 29, 2021

Williamson Enterprises PO Box 32570 Santa Fe, NM 87594

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea 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 April 20, 2021.
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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 August 1, 2021, by and between Legacy Reserves Operating LP, as Operator and various Non-Operators, covers the E/4 of Sections 14 and 23, Township 19 South, Range 33 East, Lea County, New Mexico, being 320 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,

Date: Phone:

# LEGACY RESERVES OPERATING LP

Taylor Thoreson
Director of Land

[Enclosures.]

Williamson Enterprises hereby elects to:

Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #504H well.

Not to participate in the Sapphire Federal Com #504H.

Williamson Enterprises

By:

(signature)



July 29, 2021

Nuevo Seis, LP PO Box 2588 Roswell, NM 88202

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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

Sincerely,

LEGACT RESERVES OF EXATING LI
the
Taylor Thoreson
Director of Land
[Enclosures.]
Nuevo Seis, LP hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with
Legacy's Sapphire Federal Com #504H well.
Not to participate in the Sapphire Federal Com #504H.
Nuevo Seis, LP
By:
(signature)
Title:
Date:
Phone:



July 29, 2021

Susan Scott Murphy 706 W. Brazos Roswell, NM 88201

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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

Sincerely,

Taylor Thore Director of L	
[Enclosures.]	
Susan Scott	Murphy hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #504H well.  Not to participate in the Sapphire Federal Com #504H.
Susan Scott	t Murphy
Ву:	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Chevron USA Inc. 1400 Smith Street, Ste. 3600 Houston, TX 77210

Re: Sapphire Federal Com #501H
Participation Proposal
Lea County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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

Sincerely,

Taylor The Director of	
Director or	Land
[Enclosure:	s.]
Chevron U	JSA Inc. hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #501H</b> well.
	Not to participate in the Sapphire Federal Com #501H.
Chevron	USA Inc.
By:	
	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

AmeriPermian Holdings, LLC PO Box 1723 Midland, TX 79702

Re: Sapphire Federal Com #501H
Participation Proposal
Lea County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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

Sincerely,

Taylor The Director of	oreson Land
[Enclosure	s.]
AmeriPer	mian Holdings, LLC hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #501H well.  Not to participate in the Sapphire Federal Com #501H.
AmeriPe	rmian Holdings, LLC
	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Pegasus Resources LLC PO Box 470698 Fort Worth, TX 76147

Re: Sapphire Federal Com #501H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- **1**00%/300%/300% Non-consent penalty;
- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

Taylor Ti Director	horeson of Land
[Enclosur	res.]
Pegasus	Resources LLC hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #501H well.  Not to participate in the Sapphire Federal Com #501H.
Pegasus	s Resources LLC  (signature)
Title: Date: Phone:	



July 29, 2021

John E. Sherry and wife, Dena 3415 NW Braid Dr. Bend, OR 97703

Re: Sapphire Federal Com #501H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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

Sincerely,

Taylor Thore: Director of La	son and
[Enclosures.]	
John E. Sher	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #501H well.  Not to participate in the Sapphire Federal Com #501H.
John E. Sho	erry and wife, Dena  (signature)
Title:	
Date:	
Phone:	



July 29, 2021

Grewal Royalty LLC 45 Rockefeller Plaza, Suite 2410 New York, NY 10111

Re: Sapphire Federal Com #501H
Participation Proposal
Lea County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \* \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

LEGAC	Y RESERVES OPERATING LP
t	M
Taylor T	horeson
Director	of Land
[Enclosu	res.]
Grewal 1	Royalty LLC hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #501H</b> well.
	Not to participate in the Sapphire Federal Com #501H.
	1 to the partition and the suppliment of the sup
Grewal	Royalty LLC
By:	
	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Chad Barbe PO Box 2107 Roswell, NM 88202-2107

Re: Sapphire Federal Com #501H
Participation Proposal
Lea County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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

Sincerely,

Taylor The Director of	preson f Land
[Enclosure	rs.]
Chad Bar	be hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #501H well.  Not to participate in the Sapphire Federal Com #501H.
Chad Ba	rbe
By:	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

McMullen Minerals LLC PO Box 470857 Ft. Worth, TX 76147

Re: Sapphire Federal Com #501H
Participation Proposal
Lea County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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Sincerely,

LEG/ICT I	RESERVES OF ENTITIVE EF
tr	m and a second s
Taylor Thor	
Director of l	Land
[Enclosures.	.]
•	
McMullen 1	Minerals LLC hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #501H</b> well.
	Not to participate in the Sapphire Federal Com #501H.
M - M - II	March II C
MicMullen	Minerals LLC
By:	
,	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Olin E. Groves 2507 Cimmaron Midland, TX 79705

Re: Sapphire Federal Com #501H

Participation Proposal Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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Sincerely,

Taylor Thor Director of I	reson Land
[Enclosures.	.]
Olin E. Gro	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #501H well.  Not to participate in the Sapphire Federal Com #501H.
Olin E. Gı	roves
By:	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Sally Meader-Roberts 704 Delmar Midland, TX 79702

Re: Sapphire Federal Com #501H Participation Proposal

Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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Sincerely,

LEGACY	RESERVES OPERATING LP
th	M
Taylor Tho	reson
Director of	
[Enclosures	:1
Linerestates	·1
Sally Mead	ler-Roberts hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #501H</b> well.
	Not to participate in the Sapphire Federal Com #501H.
Sally Mea	der-Roberts
By:	
J	(signature)
Title:	
Date:	·
Phone:	



July 29, 2021

Jalapeno Corporation PO Box 1608 Albuquerque, NM 87103-1608

Re: Sapphire Federal Com #501H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #501H (the "Well") located in Section 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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Sincerely,

Taylor Thor Director of I	eson Land
[Enclosures.	]
Jalapeno Co	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #501H well.  Not to participate in the Sapphire Federal Com #501H.
Jalapeno (	Corporation
By:	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Chevron USA Inc. 1400 Smith Street, Ste. 3600 Houston, TX 77210

Re: Sapphire Federal Com #502H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #502H, (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

tr	M
Taylor Thor	eson
Director of l	
[Enclosures.	
Chevron US	SA Inc. hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #502H well.  Not to participate in the Sapphire Federal Com #502H.
Chevron U	JSA Inc.
By:	
	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

AmeriPermian Holdings, LLC PO Box 1723 Midland, TX 79702

Re: Sapphire Federal Com #502H
Participation Proposal
Lea County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #502H, (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- Legacy Reserves Operating LP named as Operator.

Sincerely,

Taylor Thoreson Director of Land		
[Enclosure:	s.]	
AmeriPeri	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #502H well.  Not to participate in the Sapphire Federal Com #502H.	
AmeriPe	rmian Holdings, LLC	
By:	(signature)	
Title:		
Date:		
Phone:		



July 29, 2021

Pegasus Resources LLC PO Box 470698 Fort Worth, TX 76147

Re: Sapphire Federal Com #502H Participation Proposal Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #502H, (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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Sincerely,

Taylor The Director of	
[Enclosure	es.]
Pegasus R	Resources LLC hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #502H well.
Pegasus	Not to participate in the Sapphire Federal Com #502H.  Resources LLC
By:	(signature)
Title: Date: Phone:	



July 29, 2021

John E. Sherry and wife, Dena 3415 NW Braid Dr. Bend, OR 97703

Re: Sapphire Federal Com #502H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

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- Legacy Reserves Operating LP named as Operator.

Sincerely,

Taylor Thore Director of I	
[Enclosures.]	]
John E. She	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with
	Legacy's Sapphire Federal Com #502H well.  Not to participate in the Sapphire Federal Com #502H.
John E. Sh	nerry and wife, Dena
By:	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Grewal Royalty LLC 45 Rockefeller Plaza, Suite 2410 New York, NY 10111

Re: Sapphire Federal Com #502H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #502H, (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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Sincerely,

aylor Thoreson	
irector of Land	
Enclosures.]	
rewal Royalty LLC hereby elects to:	
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #502H</b> well.	
Not to participate in the Sapphire Federal Com #502H.	
Grewal Royalty LLC	
Ву:	
(signature)	
Fitle:	
Date:	
Phone:	



July 29, 2021

Chad Barbe PO Box 2107 Roswell, NM 88202-2107

Re: Sapphire Federal Com #502H
Participation Proposal
Lea County, New Mexico

Dear Sir/Madam:

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Sincerely,

Taylor Thores Director of La	
[Enclosures.]	
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	Legacy's Sapphire Federal Com #502H well.
	Not to participate in the Sapphire Federal Com #502H.
Chad Barbo	e
By:	
	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

McMullen Minerals LLC PO Box 470857 Ft. Worth, TX 76147

Re: Sapphire Federal Com #502H
Participation Proposal
Lea County, New Mexico

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Sincerely,

LLGITT	RESERVES OF ERRITING EF
ty	
Taylor Thor	reson
Director of l	
[Enclosures.	.1
	.1
McMullen 1	Minerals LLC hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #502H</b> well.
	Not to participate in the Sapphire Federal Com #502H.
	• • •
McMullen	Minerals LLC
By:	
	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Olin E. Groves 2507 Cimmaron Midland, TX 79705

Re: Sapphire Federal Com #502H
Participation Proposal
Lea County, New Mexico

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Sincerely,

tr	
Taylor Thore Director of L	
[Enclosures.]	
Olin E. Gro	ves hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #502H</b> well.
	Not to participate in the Sapphire Federal Com #502H.
Olin E. Gr	oves
By:	
Бу.	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Sally Meader-Roberts 704 Delmar Midland, TX 79702

Re: Sapphire Federal Com #502H
Participation Proposal
Lea County, New Mexico

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Sincerely,

ESERVES OF ERATING EF
W
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and
r-Roberts hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #502H well.
Not to participate in the Sapphire Federal Com #502H.
er-Roberts
(signature)
(-g)



July 29, 2021

Jalapeno Corporation PO Box 1608 Albuquerque, NM 87103-1608

Re: Sapphire Federal Com #502H Participation Proposal Lea County, New Mexico

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Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #502H, (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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The estimated cost of drilling, testing, completing, and equipping of the well is itemized on the enclosed Authority for Expenditures ("AFE") dated April 20, 2021.

□ **Sapphire Federal Com #502H:** to be drilled from the legal location with a proposed surface hole location in the NW/4NW/4 (Lot D) of Section 14-19S-33E and a proposed bottom hole location in the SE/4SW/4 (Lot N) of Section 23-19S-33E. The well will have a targeted interval within the Bone Spring Formation and will be drilled horizontally in the Bone Spring (~9,950' TVD) to a measured depth of approximately 19,800'.

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 August 1, 2021, by and between Legacy Reserves Operating LP, as Operator and various Non-Operators, covers the E/2 W/2 of Sections 14 and 23, Township 19 South, Range 33 East, Lea County, New Mexico, being 320 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.

Sincerely,

LLG/ICT K	ESERVES OF ERITH (GEF
tr	W T
Taylor Thore	
Director of L	and
[Enclosures.]	
Jalapeno Co	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #502H well.
	Not to participate in the Sapphire Federal Com #502H.
Jalapeno C By:	Corporation
J	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Chevron USA Inc. 1400 Smith Street, Ste. 3600 Houston, TX 77210

Re: Sapphire Federal Com #503H Participation Proposal Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #503H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

- The estimated cost of drilling, testing, completing, and equipping of this well is itemized on the enclosed Authority for Expenditures ("AFE") dated April 20, 2021.
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- 100%/300%/300% Non-consent penalty;
- \* \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

LEGACIA	ESERVES OF ERATING LI
tr	W
Taylor Thore	eson
Director of L	and
[Enclosures.]	
Chevron US	A Inc. hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with
	Legacy's Sapphire Federal Com #503H well.
	Not to participate in the Sapphire Federal Com #503H.
Chevron U	SA Inc.
By:	
— <b>J</b> :	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

AmeriPermian Holdings, LLC PO Box 1723 Midland, TX 79702

Re: Sapphire Federal Com #503H Participation Proposal Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #503H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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

Sincerely,

LL G. IC I	RESERVES OF ENTITIVE EF
tr	W
Taylor Thore	eson
Director of L	
[Enclosures.]	1
[Literosures.	
AmeriPerm	ian Holdings, LLC hereby elects to:
	•
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #503H</b> well.
	N. 44 and Carelina E. Loui Complete E. L
	Not to participate in the Sapphire Federal Com #503H.
AmeriPerr	mian Holdings, LLC
By:	
	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Pegasus Resources LLC PO Box 470698 Fort Worth, TX 76147

Re: Sapphire Federal Com #503H Participation Proposal Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #503H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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

Sincerely,

LEGACY	RESERVES OF ERATING LF
ty	
Taylor Thor	reson
Director of l	
[Enclosures.	1
Enclosures	.1
Pegasus Re	sources LLC hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #503H</b> well.
	Not to participate in the Sapphire Federal Com #503H.
	Two to participate in the Suppline Federal Confinedori.
Pegasus R	Resources LLC
By:	
2).	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

John E. Sherry and wife, Dena 3415 NW Braid Dr. Bend, OR 97703

Re: Sapphire Federal Com #503H Participation Proposal Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #503H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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

Sincerely,

LL G. IC I I	ESERVES OF ERRITING EF
tr	W To the second of the second
Taylor Thore	
Director of L	and
[Enclosures.]	
John E. She	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #503H well.
	Not to participate in the Sapphire Federal Com #503H.
John E. Sh	erry and wife, Dena
By:	
,	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Grewal Royalty LLC 45 Rockefeller Plaza, Suite 2410 New York, NY 10111

Re: Sapphire Federal Com #503H Participation Proposal Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #503H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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

Sincerely,

LEGACY	RESERVES OPERATING LP
th	W The state of the
Taylor Tho	
Director of	Land
[Enclosures	.]
Grewal Ro	yalty LLC hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #503H</b> well.
	Not to participate in the Sapphire Federal Com #503H.
Grewal R	oyalty LLC
By:	
	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Chad Barbe
PO Box 2107
Roswell, NM 88202-2107
Sapphire Federal Com #503H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #503H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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

Sincerely,

LL G. IC I KI	SERVES OF ERITING EF
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Taylor Thores	on
Director of La	nd
[Enclosures.]	
[Enclosures.]	
Chad Dark 1	
Cnad Barbe	nereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #503H</b> well.
-	Not to participate in the Sapphire Federal Com #503H.
	Not to participate in the Sappinie rederal Com #30311.
<i>~</i>	
Chad Barbe	
By:	(six and sun)
	(signature)
Title:	
Date:	
Phone:	
Phone:	



July 29, 2021

McMullen Minerals LLC PO Box 470857 Ft. Worth, TX 76147

Re: Sapphire Federal Com #503H Participation Proposal Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #503H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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

Sincerely,

LEGACIA	ESERVES OF ERATING LI
tr	W .
Taylor Thore	eson
Director of L	and
[Enclosures.]	
[Enclosures.]	
McMullen M	finerals LLC hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #503H</b> well.
	Not to participate in the Sapphire Federal Com #503H.
	Two to participate in the Supplime Federal Continuous.
McMullen	Minerals LLC
By:	
J	(signature)
Title:	
Date:	<del></del>
Phone:	



July 29, 2021

Olin E. Groves 2507 Cimmaron Midland, TX 79705

Re: Sapphire Federal Com #503H Participation Proposal Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #503H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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- \* \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

Taylor Th Director o	
[Enclosure	es.]
Olin E. G	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #503H</b> well.  Not to participate in the <b>Sapphire Federal Com #503H</b> .
Olin E.	Groves
By:	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Sally Meader-Roberts 704 Delmar Midland, TX 79702

Re: Sapphire Federal Com #503H Participation Proposal Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #503H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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

Sincerely,

LEGICI KE	SERVES OF ERATING EF
tr	
Taylor Thores	on
Director of La	nd
[Enclosures.]	
Sally Meader	-Roberts hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #503H</b> well.
1	Not to participate in the Sapphire Federal Com #503H.
	to to participate in the supplime reactar com #30511.
Sally Meade	r-Roberts
By:	
Бу.	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Jalapeno Corporation PO Box 1608 Albuquerque, NM 87103-1608

Re: Sapphire Federal Com #503H Participation Proposal Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #503H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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

Sincerely,

LEGACT RESERVES OF EXATING LI		
tr	W	
Taylor Thore		
Director of L	and	
[Enclosures.]		
Jalapeno Co	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #503H well.	
	Not to participate in the Sapphire Federal Com #503H.	
Jalapeno C	Corporation	
By:		
•	(signature)	
Title:		
Date:		
Phone:		



July 29, 2021

AmeriPermian Holdings, LLC PO Box 1723 Midland, TX 79702

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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

Sincerely,

LEGACY RESERVES OPERATING LP

Taylor Thore Director of L		
[Enclosures.]		
AmeriPermi	an Holdings, LLC hereby elects to:	
	Participate for its proportionate share of the costs detailed in the enclosed AFE Legacy's <b>Sapphire Federal Com #504H</b> well.	associated with
	Not to participate in the <b>Sapphire Federal Com #504H</b> .	
AmeriPerm	nian Holdings, LLC	
By:	(signature)	
Title:		
Date:		

Phone:



July 29, 2021

Bob G. Howell PO Box 1249 Fresno, CA 93715

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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

Sincerely,

Taylor Thoreson Director of Land	
[Enclosures.]	
Bob G. Howell hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #504H well.  Not to participate in the Sapphire Federal Com #504H.	ı
Bob G. Howell	
By: (signature)	
Title:	
Date:	
Phone:	



July 29, 2021

C. Warren Scott Suite 648, Petroleum Bldg. Roswell, NM 88201

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

In connection with the above, please note the following:

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  - □ Sapphire Federal Com #504H: to be drilled from the legal location with a proposed surface hole location in the NW/4NE/4 (Lot B) of Section 14-19S-33E and a proposed bottom hole location in the SE/4SE/4 (Lot P) of Section 23-19S-33E. The well will have a targeted interval within the Bone Spring Formation and will be drilled horizontally in the Bone Spring (~9,950' TVD) to a measured depth of approximately 19,800'.

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 August 1, 2021, by and between Legacy Reserves Operating LP, as Operator and various Non-Operators, covers the E/4 of Sections 14 and 23, Township 19 South, Range 33 East, Lea County, New Mexico, being 320 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.

Sincerely,

Taylor Thor Director of	
[Enclosures	.]
C. Warren	Scott hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #504H well.  Not to participate in the Sapphire Federal Com #504H.
C. Warren	
m: 1	(signature)
Title:	<del></del>
Date:	
Phone:	



July 29, 2021

Chad Barbe PO Box 2107 Roswell, NM 88202-2107

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

#### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

LEGACY RESERVES OPERATING LP

Taylor Thoro	
[Enclosures.]	
Chad Barbo	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #504H well.  Not to participate in the Sapphire Federal Com #504H.
Chad Bark	oe
By:	(signature)
Title:	
Date:	

Phone:



July 29, 2021

Cheryl Schellinger PO Box 447 Roswell, NM 88202

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

Taylor Tho Director of	
[Enclosures	s.]
Cheryl Sch	nellinger hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with
	Legacy's Sapphire Federal Com #504H well.  Not to participate in the Sapphire Federal Com #504H.
Cheryl So	chellinger
By:	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Chevron USA Inc. 1400 Smith Street, Ste. 3600 Houston, TX 77210

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

Taylor Thor Director of	
[Enclosures	.]
Chevron U	SA Inc. hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #504H well.  Not to participate in the Sapphire Federal Com #504H.
Chevron	USA Inc.
By:	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Duane D. Andersen PO Box 277 Selma, CA 93662

Re: Sapphire Federal Com #504H Participation Proposal

Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

Taylor Thoreson Director of Land	
[Enclosures.]	
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #504H well.  Not to participate in the Sapphire Federal Com #504H.	
Duane D. Andersen	
By: (signature)	
Title:	
Date:	
Phone:	



July 29, 2021

Fortress Energy Partners II, LP PO Box 4695 Midland, TX 79704

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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

Sincerely,

Taylor Thor	
Director of	Earld
[Enclosures	.]
Fortress Er	nergy Partners II, LP hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #504H</b> well.
	Not to participate in the Sapphire Federal Com #504H.
Fortress E	Energy Partners II, LP
By:	
•	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

George L. Scott, III Suite 648, Petroleum Bldg. Roswell, NM 88201

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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

Sincerely,

Taylor Tho Director of	
[Enclosures	s.]
George L.	Scott, III hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #504H well.  Not to participate in the Sapphire Federal Com #504H.
George L	. Scott, III
By:	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Glen R. Andersen PO Box 277 Selma, CA 93662

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

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Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

Taylor Thoreson Director of Land		
[Enclosures.]		
Legacy's Sapphire Fe	eportionate share of the costs detailed in the enclosed AFE and the enclosed AFE and the enclosed AFE and the Sapphire Federal Com #504H.	ssociated with
Glen R. Andersen		
Ву:	(signature)	
Title:		
Date:		
Phone:		



July 29, 2021

Grewal Royalty LLC 45 Rockefeller Plaza, Suite 2410 New York, NY 10111

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

Taylor Thoreson Director of Land		
[Enclosures.]		
Part Leg	LLC hereby elects to:  cicipate for its proportionate share of the costs detailed in the enclosed AFE a acy's Sapphire Federal Com #504H well.  to participate in the Sapphire Federal Com #504H.	associated with
Grewal Royalty	LLC	
Ву:	(signature)	
Title:		
Date:		
Dhonor		



July 29, 2021

Jalapeno Corporation PO Box 1608 Albuquerque, NM 87103-1608

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

Faylor Thoreson Director of Land	
Enclosures.]	
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #504H well.  Not to participate in the Sapphire Federal Com #504H.	
Jalapeno Corporation	
By:(signature)	
Title:	
Date:	
Phone:	



July 29, 2021

John E. Sherry and wife, Dena 3415 NW Braid Dr. Bend, OR 97703

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

LL G. IC I K	ESERVES OF ERRIFIER
tr	W To the second of the second
Taylor Thore	
Director of L	and
[Enclosures.]	
John E. She	rry and wife, Dena hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #504H well.
	Not to participate in the Sapphire Federal Com #504H.
	erry and wife, Dena
By:	(signature)
Title:	
Date:	
Phone:	<del></del>



July 29, 2021

Marvin J. Andersen PO Box 277 Selma, CA 93662

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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Sincerely,

Taylor Thoreson Director of Land	
Enclosures.]	
Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #504H well.  Not to participate in the Sapphire Federal Com #504H.	
Marvin J. Andersen	
By: (signature)	
Title:	
Date:	
Phone:	



July 29, 2021

McMullen Minerals LLC PO Box 470857 Ft. Worth, TX 76147

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

Taylor Tho:	
[Enclosures	.]
McMullen	Minerals LLC hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #504H well.  Not to participate in the Sapphire Federal Com #504H.
McMuller	n Minerals LLC
By:	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Olin E. Groves 2507 Cimmaron Midland, TX 79705

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea County, New Mexico.

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- \$8,000/\$800 Drilling and producing rate;
- Legacy Reserves Operating LP named as Operator.

Sincerely,

Taylor Thoreson Director of Land	
[Enclosures.]	
Olin E. Groves hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #504H well.  Not to participate in the Sapphire Federal Com #504H.	
Olin E. Groves	
By:(signature)	
Title:	
Date:	
Phone	



July 29, 2021

Pegasus Resources LLC PO Box 470698 Fort Worth, TX 76147

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea 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 April 20, 2021.
  - □ Sapphire Federal Com #504H: to be drilled from the legal location with a proposed surface hole location in the NW/4NE/4 (Lot B) of Section 14-19S-33E and a proposed bottom hole location in the SE/4SE/4 (Lot P) of Section 23-19S-33E. The well will have a targeted interval within the Bone Spring Formation and will be drilled horizontally in the Bone Spring (~9,950' TVD) to a measured depth of approximately 19,800'.

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 August 1, 2021, by and between Legacy Reserves Operating LP, as Operator and various Non-Operators, covers the E/4 of Sections 14 and 23, Township 19 South, Range 33 East, Lea County, New Mexico, being 320 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.

Sincerely,

LEGACY	RESERVES OF ERATING LF
tr	my -
Taylor Thore	eson
Director of I	
[Enclosures.	1
[Enclosures.	
Pegasus Res	sources LLC hereby elects to:
	Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's <b>Sapphire Federal Com #504H</b> well.
	Not to participate in the Sapphire Federal Com #504H.
	Two to participate in the Supplime I edit at Com #50 111.
Pegasus R	esources LLC
By:	
Dy.	(signature)
Title.	
Title:	<del></del>
Date:	
Phone:	



July 29, 2021

Platform Energy III, LLC PO Box 2078 Abilene, TX 79604

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea 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 April 20, 2021.
  - □ Sapphire Federal Com #504H: to be drilled from the legal location with a proposed surface hole location in the NW/4NE/4 (Lot B) of Section 14-19S-33E and a proposed bottom hole location in the SE/4SE/4 (Lot P) of Section 23-19S-33E. The well will have a targeted interval within the Bone Spring Formation and will be drilled horizontally in the Bone Spring (~9,950' TVD) to a measured depth of approximately 19,800'.

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 August 1, 2021, by and between Legacy Reserves Operating LP, as Operator and various Non-Operators, covers the E/4 of Sections 14 and 23, Township 19 South, Range 33 East, Lea County, New Mexico, being 320 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.

Sincerely,

LEGACY RESERVES OPERATING LP

Taylor Thoreso Director of Lan		
[Enclosures.]		
P L	Participate for its proportionate share of the costs detailed in the enclosed AFE and Legacy's <b>Sapphire Federal Com #504H</b> well.  Not to participate in the <b>Sapphire Federal Com #504H</b> .	associated with
Platform Ene	ergy III, LLC	
Ву:	(signature)	
Title:		
Date:		

Phone:



July 29, 2021

Sally Meader-Roberts 704 Delmar Midland, TX 79702

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea 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 April 20, 2021.
  - □ Sapphire Federal Com #504H: to be drilled from the legal location with a proposed surface hole location in the NW/4NE/4 (Lot B) of Section 14-19S-33E and a proposed bottom hole location in the SE/4SE/4 (Lot P) of Section 23-19S-33E. The well will have a targeted interval within the Bone Spring Formation and will be drilled horizontally in the Bone Spring (~9,950' TVD) to a measured depth of approximately 19,800'.

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 August 1, 2021, by and between Legacy Reserves Operating LP, as Operator and various Non-Operators, covers the E/4 of Sections 14 and 23, Township 19 South, Range 33 East, Lea County, New Mexico, being 320 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.

Sincerely,

Taylor The Director of	
[Enclosure	es.]
Sally Mea	der-Roberts hereby elects to:  Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #504H well.  Not to participate in the Sapphire Federal Com #504H.
Sally Me	ader-Roberts
By:	(signature)
Title:	
Date:	
Phone:	



July 29, 2021

Stephen T. Mitchell Suite 648, Petroleum Bldg. Roswell, NM 88201

Re: Sapphire Federal Com #504H
Participation Proposal
Lea County, New Mexico

### Dear Sir/Madam:

Legacy Reserves Operating LP ("Legacy") proposes the drilling and completion of the Sapphire Federal Com #504H (the "Well") located in Sections 14 & 23, Township 19 South, Range 33 East, Lea 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 April 20, 2021.
  - □ **Sapphire Federal Com #504H:** to be drilled from the legal location with a proposed surface hole location in the NW/4NE/4 (Lot B) of Section 14-19S-33E and a proposed bottom hole location in the SE/4SE/4 (Lot P) of Section 23-19S-33E. The well will have a targeted interval within the Bone Spring Formation and will be drilled horizontally in the Bone Spring (~9,950' TVD) to a measured depth of approximately 19,800'.

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 August 1, 2021, by and between Legacy Reserves Operating LP, as Operator and various Non-Operators, covers the E/4 of Sections 14 and 23, Township 19 South, Range 33 East, Lea County, New Mexico, being 320 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 AFEs with your participation election. Please be aware that the enclosed AFEs are only an <u>estimate</u> 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,

Date: Phone:

## LEGACY RESERVES OPERATING LP

Taylor Thoreson
Director of Land

[Enclosures.]

Stephen T. Mitchell hereby elects to:

Participate for its proportionate share of the costs detailed in the enclosed AFE associated with Legacy's Sapphire Federal Com #504H well.

Not to participate in the Sapphire Federal Com #504H.

Stephen T. Mitchell

By:

(signature)

Legacy Reserves Cost Estimate			
Location: Sec 14, T19S R33E, Lea County, NM	Property #:		
Field: TONTO	Estimated start:		
Depth: 9550' TVD / 19500' MD	Estimated completion:		
Originator: STEVE OWEN	Type: Drill & Complete		
Date prepared: 2021-04-20	WI:		
Well name: Sapphire 501H	API #:		

Description: Drill and Complete 2 Mile 2nd Bone Springs Lateral

Description	Code	<b>Estimated Cost</b>	Net Cost

# **DRILLING INTANGIBLE COSTS**

DRILLING INTANGIBLE COSTS			
IDC-SITE PREP / LOCATION SURVEY	830.050	120,000	
IDC-RIG MOVE IN / MOVE OUT	830.060	160,000	
IDC-DRILLING RIG	830.070	600,000	
IDC- RENTAL / TOOLS-EQUIP	830.100	75,000	
IDC-BITS	830.110	100,000	
IDC-MUD / CHEMICALS	830.120	230,000	
IDC-WATER	830.130	32,000	
IDC- DRILLING FLUID DISPOSAL			
IDC-EQUIPMENT TRANSPORTATION	830.150	10,000	
IDC-FORM EVAL/ELEC LOGGING/MUD LOGGING	830.170	29,824	
IDC-CEMENTING SERVICES	830.180	250,000	
IDC-DIRECTIONAL SERVICES/MWD/GYROS	830.190	315,000	
IDC-FISHING SERVICES	830.200		
IDC-DRILLSTRING INSPECTION	830.230	23,000	
IDC-CASING CREWS	830.270	70,000	
IDC-CONTRACT LABOR	830.280	130,000	
IDC-CAMP EXPENSES	830.300	85,000	
IDC-PROFESSIONAL SRVC/CONSULT	830.310	89,000	
IDC-WELL CONTROL INSURANCE	830.320	4,000	
IDC-DAMAGES	830.380	2,000	
IDC-PERMITTING	830.390	0	
IDC-FUEL / POWER	830.400	80,000	
IDC-COMPANY LABOR/SUPERVISION	830.700		
IDC-DRILLING OVERHEAD	830.720	5,047	
Total Drilling Intangible Costs	=	2,409,871	

# **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	0	
TDC - PRODUCTION CASING/LINER	840.210	350,000	
TDC-WELLHEAD EQUIPMENT	840.250	58,000	
TDC-MISCELLANEOUS DRLG TANGIBLES	840.500	57,352	
DRILLING CONTINGENCIES	840.510		
Total Drilling Tangible Costs		705,352	
	PERCENT		
Total Drilling Contingency	10%	311,522	
Total Drilling Costs		3,426,745	

# **COMPLETION INTANGIBLE COSTS**

ICC- RENTAL / TOOLS-EQUIP	850.100	300,000	
ICC-BITS	850.110		
ICC-MUD / CHEMICALS	850.120	80,000	
ICC-WATER, SWD	850.130	615,857	
ICC-EQUIPMENT TRANSPORTATION	850.150	20,000	
ICC-LOGGING / PERFORATING / PLUGS	850.170	190,000	
ICC-CEMENTING SERVICES	850.180		
ICC-FISHING SERVICES	850.200		
ICC-TUBULAR TESTING / INSPECTION	850.230	5,000	
ICC-STIMULATION	850.250	1,586,000	
ICC-CONTRACT LABOR	850.280	225,000	
ICC-PROFESSIONAL SRVC/CONSULT	850.310	135,000	
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	_	3,481,857	

# **COMPLETION TANGIBLE COSTS**

Total Completion Costs		4,003,673	
Total Completion Contingency	10%	363,970	
	PERCENT		
Total Completion Tangible Costs		157,846	
TSS-MISCELLANEOUS TSS	860.500	14,900	
TSS-DOWNHOLE ARTIFICIAL LIFT & RODS	860.180	53,784	
TSS-PRODUCTION TUBING	860.160	59,162	
TSS-PACKERS & SUBSURFACE EQUIP	860.120	30,000	

# **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-SEPATORS & HEATER TREATERS	870.220	56,667	
TS-COMPRESSOR, DEHYDRATOR, VRU	870.230	5,000	
TS-METERING EQUIP & LACT UNIT	870.240	11,800	
TS-CONSTRUCTION OVERHEAD	870.720	5,000	
	PERCENT		
Surface and Facilities Contengency	5%	31,885	
Total Surface and Facilities Costs		669,582	
TOTAL CONTINGENCIES	850.350	707,377	
TOTAL WELL COST		8,100,000	

# COMPANY APPROVALS

TITLE	SIGNATURE
DRILLING MANAGER:	
PERMIAN BUSINESS MANAGER:	
OPERATIONS EVP	
CEO	

# PARTNER APPROVAL

COMPANY NAME	
NAME	
TITLE	
SIGNATURE	

Legacy Reserves Cost Estimate		
Location: Sec 14, T19S R33E, Lea County, NM	Property #:	
Field: TONTO	Estimated start:	
Depth: 9550' TVD / 19500' MD	Estimated completion:	
Originator: STEVE OWEN	Type: Drill & Complete	
Date prepared: 2021-04-20	WI:	
Well name: Sapphire 502H	API #:	

Description: Drill and Complete 2 Mile 2nd Bone Springs Lateral

Description	Code	<b>Estimated Cost</b>	<b>Net Cost</b>

# **DRILLING INTANGIBLE COSTS**

IDC-SITE PREP / LOCATION SURVEY	830.050	120,000	
IDC-RIG MOVE IN / MOVE OUT	830.060	160,000	
IDC-DRILLING RIG	830.070	600,000	
IDC- RENTAL / TOOLS-EQUIP	830.100	75,000	
IDC-BITS	830.110	100,000	
IDC-MUD / CHEMICALS	830.120	230,000	
IDC-WATER	830.130	32,000	
IDC- DRILLING FLUID DISPOSAL			
IDC-EQUIPMENT TRANSPORTATION	830.150	10,000	
IDC-FORM EVAL/ELEC LOGGING/MUD LOGGING	830.170	29,824	
IDC-CEMENTING SERVICES	830.180	250,000	
IDC-DIRECTIONAL SERVICES/MWD/GYROS	830.190	315,000	
IDC-FISHING SERVICES	830.200		
IDC-DRILLSTRING INSPECTION	830.230	23,000	
IDC-CASING CREWS	830.270	70,000	
IDC-CONTRACT LABOR	830.280	130,000	
IDC-CAMP EXPENSES	830.300	85,000	
IDC-PROFESSIONAL SRVC/CONSULT	830.310	89,000	
IDC-WELL CONTROL INSURANCE	830.320	4,000	
IDC-DAMAGES	830.380	2,000	
IDC-PERMITTING	830.390	0	
IDC-FUEL / POWER	830.400	80,000	
IDC-COMPANY LABOR/SUPERVISION	830.700		
IDC-DRILLING OVERHEAD	830.720	5,047	
Total Drilling Intangible Costs		2,409,871	

# **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	0
TDC - PRODUCTION CASING/LINER	840.210	350,000
TDC-WELLHEAD EQUIPMENT	840.250	58,000
TDC-MISCELLANEOUS DRLG TANGIBLES	840.500	57,352
DRILLING CONTINGENCIES	840.510	
Total Drilling Tangible Costs		705,352
	PERCENT	
Total Drilling Contingency	10%	311,522
Total Drilling Costs		3,426,745

# **COMPLETION INTANGIBLE COSTS**

ICC- RENTAL / TOOLS-EQUIP	850.100	300,000	
ICC-BITS	850.110		
ICC-MUD / CHEMICALS	850.120	80,000	
ICC-WATER, SWD	850.130	615,857	
ICC-EQUIPMENT TRANSPORTATION	850.150	20,000	
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ICC-CEMENTING SERVICES	850.180		
ICC-FISHING SERVICES	850.200		
ICC-TUBULAR TESTING / INSPECTION	850.230	5,000	
ICC-STIMULATION	850.250	1,586,000	
ICC-CONTRACT LABOR	850.280	225,000	
ICC-PROFESSIONAL SRVC/CONSULT	850.310	135,000	
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	_	3,481,857	

# **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%	363,970	
Total Completion Costs		4,003,673	

# **SURFACE AND FACILITIES**

TOTAL WELL COST		8,100,000	
TOTAL CONTINGENCIES	850.350	707,377	
Total Sulface and Facilities Costs		669,582	
Total Surface and Facilities Costs	G/8		
Surface and Facilities Contengency	PERCENT 5%	31,885	
TS-CONSTRUCTION OVERHEAD	870.720	5,000	
	870.240	11,800	
TS-METERING EQUIP & LACT UNIT		,	
TS-COMPRESSOR, DEHYDRATOR, VRU	870.230	5,000	
TS-SEPATORS & HEATER TREATERS	870.220	56,667	
TS-MATLS:PUMPS/LINEPIPE	870.210	13,333	
TS-STORAGE TANKS	870.200	116,667	
TS-FITTINGS & SUPPLIES	870.140	61,667	
TS-DAMAGES	850.380	2,000	
TS-DIRTWORK	850.050	25,000	
TS-MISCELLANEOUS	870.900	72,200	
TS-FLOWLINES	870.530	30,000	
TS-ELECTRICAL SVCS & EQUIPMENT	870.470	38,363	
TS-INSTALLATION & CONTRACT LABOR	870.170	200,000	
TS-PUMPING UNIT	870.100	0	

# COMPANY APPROVALS

TITLE	SIGNATURE
DRILLING MANAGER:	
PERMIAN BUSINESS MANAGER:	
OPERATIONS EVP	
CEO	

# PARTNER APPROVAL

COMPANY NAME	
NAME	
TITLE	
SIGNATURE	

Legacy Reserves Cost Estimate			
Location: Sec 14, T19S R33E, Lea County, NM	Property #:		
Field: TONTO	Estimated start:		
Depth: 9550' TVD / 19500' MD	Estimated completion:		
Originator: STEVE OWEN	Type: Drill & Complete		
Date prepared: 2021-04-20	WI:		
Well name: Sapphire 503H	API #:		

Description: Drill and Complete 2 Mile 2nd Bone Springs Lateral

Description	Code	<b>Estimated Cost</b>	Net Cost

#### **DRILLING INTANGIBLE COSTS**

IDC-SITE PREP / LOCATION SURVEY	830.050	120,000
IDC-RIG MOVE IN / MOVE OUT	830.060	160,000
IDC-DRILLING RIG	830.070	600,000
IDC- RENTAL / TOOLS-EQUIP	830.100	75,000
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IDC-WELL CONTROL INSURANCE	830.320	4,000
IDC-DAMAGES	830.380	2,000
IDC-PERMITTING	830.390	0
IDC-FUEL / POWER	830.400	80,000
IDC-COMPANY LABOR/SUPERVISION	830.700	
IDC-DRILLING OVERHEAD	830.720	5,047
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#### **DRILLING TANGIBLE COSTS**

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TDC-SURFACE CASING	840.110	60,000	
TDC-INTERMEDIATE I CASING	840.150	180,000	
TDC-INTERMEDIATE II CASING	840.200	0	
TDC - PRODUCTION CASING/LINER	840.210	350,000	
TDC-WELLHEAD EQUIPMENT	840.250	58,000	
TDC-MISCELLANEOUS DRLG TANGIBLES	840.500	57,352	
DRILLING CONTINGENCIES	840.510		
Total Drilling Tangible Costs		705,352	
	PERCENT		
Total Drilling Contingency	10%	311,522	
Total Drilling Costs		3,426,745	

#### **COMPLETION INTANGIBLE COSTS**

ICC- RENTAL / TOOLS-EQUIP	850.100	300,000	
ICC-BITS	850.110		
ICC-MUD / CHEMICALS	850.120	80,000	
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ICC-COMPANY LABOR/SUPERVISION	850.700	15,000	
ICC-COMPLETION OVERHEAD	850.720	10,000	
Total Completion Intangible Costs	_	3,481,857	

#### **COMPLETION TANGIBLE COSTS**

Total Completion Costs		4,003,673	
Total Completion Contingency	10%	363,970	
	PERCENT		
Total Completion Tangible Costs		157,846	
TSS-MISCELLANEOUS TSS	860.500	14,900	
TSS-DOWNHOLE ARTIFICIAL LIFT & RODS	860.180	53,784	
TSS-PRODUCTION TUBING	860.160	59,162	
TSS-PACKERS & SUBSURFACE EQUIP	860.120	30,000	

#### **SURFACE AND FACILITIES**

870.100	0	
870.170	200,000	
870.470	38,363	
870.530	30,000	
870.900	72,200	
850.050	25,000	
850.380	2,000	
870.140	61,667	
870.200	116,667	
870.210	13,333	
870.220	56,667	
870.230	5,000	
870.240	11,800	
870.720	5,000	
PERCENT		
5%	31,885	
	669,582	
850.350	707,377	
	8,100,000	
	870.170 870.470 870.530 870.900 850.050 850.380 870.140 870.200 870.210 870.220 870.230 870.240 870.720 PERCENT	870.170 200,000 870.470 38,363 870.530 30,000 870.900 72,200 850.050 25,000 850.380 2,000 870.140 61,667 870.200 116,667 870.210 13,333 870.220 56,667 870.230 5,000 870.240 11,800 870.720 5,000 PERCENT 5% 31,885 669,582

#### COMPANY APPROVALS

TITLE	SIGNATURE
DRILLING MANAGER:	
PERMIAN BUSINESS MANAGER:	
OPERATIONS EVP	
CEO	

#### PARTNER APPROVAL

COMPANY NAME	
NAME	
TITLE	
SIGNATURE	

Legacy Reserves Cost Estimate			
Location: Sec 14, T19S R33E, Lea County, NM	Property #:		
Field: TONTO	Estimated start:		
Depth: 9550' TVD / 19500' MD	Estimated completion:		
Originator: STEVE OWEN	Type: Drill & Complete		
Date prepared: 2021-04-20	WI:		
Well name: Sapphire 504H	API #:		

Description: Drill and Complete 2 Mile 2nd Bone Springs Lateral

Description	Code	<b>Estimated Cost</b>	<b>Net Cost</b>

#### **DRILLING INTANGIBLE COSTS**

IDC-SITE PREP / LOCATION SURVEY	830.050	120,000	
IDC-RIG MOVE IN / MOVE OUT	830.060	160,000	
IDC-DRILLING RIG	830.070	600,000	
IDC- RENTAL / TOOLS-EQUIP	830.100	75,000	
IDC-BITS	830.110	100,000	
IDC-MUD / CHEMICALS	830.120	230,000	
IDC-WATER	830.130	32,000	
IDC- DRILLING FLUID DISPOSAL			
IDC-EQUIPMENT TRANSPORTATION	830.150	10,000	
IDC-FORM EVAL/ELEC LOGGING/MUD LOGGING	830.170	29,824	
IDC-CEMENTING SERVICES	830.180	250,000	
IDC-DIRECTIONAL SERVICES/MWD/GYROS	830.190	315,000	
IDC-FISHING SERVICES	830.200		
IDC-DRILLSTRING INSPECTION	830.230	23,000	
IDC-CASING CREWS	830.270	70,000	
IDC-CONTRACT LABOR	830.280	130,000	
IDC-CAMP EXPENSES	830.300	85,000	
IDC-PROFESSIONAL SRVC/CONSULT	830.310	89,000	
IDC-WELL CONTROL INSURANCE	830.320	4,000	
IDC-DAMAGES	830.380	2,000	
IDC-PERMITTING	830.390	0	
IDC-FUEL / POWER	830.400	80,000	
IDC-COMPANY LABOR/SUPERVISION	830.700		
IDC-DRILLING OVERHEAD	830.720	5,047	
Total Drilling Intangible Costs		2,409,871	

#### **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	0
TDC - PRODUCTION CASING/LINER	840.210	350,000
TDC-WELLHEAD EQUIPMENT	840.250	58,000
TDC-MISCELLANEOUS DRLG TANGIBLES	840.500	57,352
DRILLING CONTINGENCIES	840.510	
Total Drilling Tangible Costs		705,352
	PERCENT	
Total Drilling Contingency	10%	311,522
Total Drilling Costs		3,426,745

#### **COMPLETION INTANGIBLE COSTS**

ICC- RENTAL / TOOLS-EQUIP	850.100	300,000	
ICC-BITS	850.110		
ICC-MUD / CHEMICALS	850.120	80,000	
ICC-WATER, SWD	850.130	615,857	
ICC-EQUIPMENT TRANSPORTATION	850.150	20,000	
ICC-LOGGING / PERFORATING / PLUGS	850.170	190,000	
ICC-CEMENTING SERVICES	850.180		
ICC-FISHING SERVICES	850.200		
ICC-TUBULAR TESTING / INSPECTION	850.230	5,000	
ICC-STIMULATION	850.250	1,586,000	
ICC-CONTRACT LABOR	850.280	225,000	
ICC-PROFESSIONAL SRVC/CONSULT	850.310	135,000	
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	_	3,481,857	

#### **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%	363,970	
Total Completion Costs		4,003,673	

#### **SURFACE AND FACILITIES**

870.100	0	
870.170	200,000	
870.470	38,363	
870.530	30,000	
870.900	72,200	
850.050	25,000	
850.380	2,000	
870.140	61,667	
870.200	116,667	
870.210	13,333	
870.220	56,667	
870.230	5,000	
870.240	11,800	
870.720	5,000	
PERCENT		
5%	31,885	
	669,582	
850.350	707,377	
	8,100,000	
	870.170 870.470 870.530 870.900 850.050 850.380 870.140 870.200 870.210 870.220 870.230 870.240 870.720 PERCENT	870.170 200,000 870.470 38,363 870.530 30,000 870.900 72,200 850.050 25,000 850.380 2,000 870.140 61,667 870.200 116,667 870.210 13,333 870.220 56,667 870.230 5,000 870.240 11,800 870.720 5,000 PERCENT 5% 31,885 669,582

#### COMPANY APPROVALS

TITLE	SIGNATURE
DRILLING MANAGER:	
PERMIAN BUSINESS MANAGER:	
OPERATIONS EVP	
CEO	

#### PARTNER APPROVAL

COMPANY NAME	
NAME	
TITLE	
SIGNATURE	

#### **CHRONOLOGY OF CONTACT**

Date	Parties	Pooling Unit	Notes/Discussion
			First iteration of Well Proposals provided to WI Partners whereby Legacy
4/23/2021	All WI Parties	Ruby	proposed 3 wells to WI partners
			First iteration of Well Proposals provided to WI Partners whereby Leagcy
4/23/2021	All WI Parties	Sapphire	proposed 5 wells to WI partners
			COP delivers possible lease tracts (which includes COP's interest in Ruby &
			Sapphire) to Legacy that COP would consider trading (assigning) to Legacy in a
5/4/2021	Conoco Phillips (COP)	Ruby & Sapphire	lease trade.
			Legacy responds to COP's trade proposal that was provided to Legacy on
5/20/2021	Conoco Phillips (COP)	Ruby & Sapphire	5/4/2021.
			Chisholm proposes a three way trade between Legacy, PBEX and Chisholm,
			whereby the parties consolidate interests in their own planned operated
6/3/2021	Chisholm Energy (Chisholm)	Ruby	units.
			Legacy provides Chisholm a counter-proposal to their 6/3/2021 lease trade
6/11/2021	Chisholm Energy (Chisholm)	Ruby	proposal.
			Second iteration of Well Proposals provided to WI Partners and reduced the
			well count from 3 to 2 (only proposed the 501H and 502H), resulting in well
7/29/2021	All WI Parties	Ruby	locations changing thus requiring an additional well proposals
			Second iteration of Well Proposals provided to WI Partners and reduced the
			well count from 6 to 4 (only proposed the 501H-504H), resulting in well
7/29/2021	All WI Parties	Sapphire	locations changing thus requiring an additional well proposals
			Chisholm indicated to Legacy that PBEX desired to alter the proposed three
			way trade between Chisholm, Legacy and PBEX to the extent that the trade
8/5/2021	Chisholm Energy (Chisholm)	Ruby	stalled.
			Legacy requests a visit with PBEX at Summer NAPE to discuss the Chisholm
8/13/2021	EGL Resources/PBEX (PBEX)	Ruby	three way trade proposal.
			In lieu of the meeting at Summer NAPE, PBEX and Legacy have a phone
8/16/2021	EGL Resources/PBEX (PBEX)	Ruby	discussion to discuss the Chisholm three way trade proposal.
			COP provides Legacy a final trade proposal, which is a counter proposal to
8/24/2021	Conoco Phillips (COP)	Ruby & Sapphire	Legacy's proposal on 5/20/2021.
,			
9/13/2021	Conoco Phillips (COP)	Ruby & Sapphire	Legacy responds to COP's 8/24/2021 trade proposal with a counter-proposal.

#### **CHRONOLOGY OF CONTACT**

10/25/2021	Matador Resources Company (MRC)	Sapphire	Matador provides Legacy with 8 MJ Fed 2314 Fed Com well proposals which become competing proposals to Legacy's Sapphire Pooling application.
			Legacy provides Matador with a lease trade proposal whereby Matador
			would assign Legacy their interest in Sapphire in exhange for unrelated lands
11/12/2021	Matador Resources Company (MRC)	Sapphire	from Legacy.
		·	Legacy inquiring with COP to confirm which lands are to be included in the
11/16/2021	Conoco Phillips (COP)	Ruby & Sapphire	Legacy/COP trade.
			COP requested that Legacy conitnue their Ruby & Sapphire pooling hearings
11/17/2021	Conoco Phillips (COP)	Ruby & Sapphire	to ensure the trade closes prior to the hearing date.
			Legacy agrees to continue the Ruby & Sapphire pooling hearings so long as
11/17/2021	Conoco Phillips (COP)	Ruby & Sapphire	the Legacy/COP trade is closed by year-end 2021.
11/23/2021	EGL Resources/PBEX (PBEX)	Ruby	PBEX provides Legacy a well proopsal/AFE package for their planned Casino Royale development which becomes a competing application to Legacy's pre-existing/approved Ruby Pooling Application.
1/11/2022	EGL Resources/PBEX (PBEX)	Ruby	Legacy provides PBEX with interests in certain leases in Texas, which is the beginning of possible trade negotiations whereby Legacy attempts to trade PBEX a lease in Texas in exchange for PBEX's lease in Ruby.
	, , ,	·	Legacy and COG closed trade, made effective 12/1/2021 (Legacy acquired
1/17/2022	Conoco Phillips (COP)	Ruby & Sapphire	COG's interest in Ruby & Sapphire)
1/26/2022	EGL Resources/PBEX (PBEX)	Ruby	Legacy follows up with the potential trade discussions first discussed on 1/11/2022.
1/27/2022	EGL Resources/PBEX (PBEX)	Ruby	PBEX repsonds to Legacy's inquiry on 1/26/2022 reassuring Legacy that PBEX is evaluating a potential trade, but does not confirm PBEX can agree to any possible trade.
2/1/2022	All WI Parties	Sapphire	Legacy provided JOA's to all WI partners in the Sapphire wells
2/2/2022	Matador Resources Company (MRC)	Sapphire	Via telephone conversation between Brett Willis and Nick Weeks at Matador, Matador proposed that Matador should be given operatorship of the E/2E/2 of Sections 15 and 22; also discussed trade options
2/2/2022	Chisholm Energy (Chisholm)	Sapphire	Legacy proposed a JOA to Chisholm/Earthstone
2/2/2022	Chishonii Energy (Chishonii)	σαρριπιε	Legacy proposed a sort to emismonly cartificatione

#### **CHRONOLOGY OF CONTACT**

			Legacy proposed a JOA to Matador along with an offer to purchase of
2/7/2022	Matador Resources Company (MRC)	Sapphire	\$4,500/acre
			Brett Willis spoke with Nick Weeks at Matador about Legacy's offer to
			purchase of \$4,500/acre; Nick responded to Brett by offering Legacy
2/9/2022	Matador Resources Company (MRC)	Sapphire	\$6,000/acre for Legacy's assets in Sapphire
2/10/2022	EGL Resources/PBEX (PBEX)	Ruby	PBEX and Legacy have lunch to discuss possible trade proposals/ideas.
			PBEX requests confirmation from Legacy about the lease Legacy proposed to
2/14/2022	EGL Resources/PBEX (PBEX)	Ruby	trade to PBEX in exchange for PBEX's interest in Ruby.
2/24/2022	EGL Resources/PBEX (PBEX)	Ruby	Legacy responds to PBEX's 2/14/2022 inquiry.
			Proposal of wells made to WI Partners who were discovered as owning title
			according to updated title who did not originally receive a well proposal
			(these proposals were made only to owners in the Sapphire Federal Com
3/1/2022	All WI Parties	Sapphire	502H)
			Provided well proposals and JOA's to Fasken once title confirmed Faskens
3/7/2022	Fasken	Ruby	ownership in Ruby
3/8/2022	All WI Parties	Ruby	Legacy provided JOA's to all WI partners in the Ruby wells
			PBEX provides Legacy a formal proposal whereby PBEX assigns Legacy their
3/9/2022	EGL Resources/PBEX (PBEX)	Ruby	Ruby lease in exchange for lands unrelated to Ruby & Sapphire.
			Legacy informs PBEX that their proposed trade was too much in favor of PBEX
			in order to proceed and requests that PBEX add additional acreage in order to
3/9/2022	EGL Resources/PBEX (PBEX)	Ruby	make the trade more equitable.
			Legacy provides PBEX with the Ruby Well Proposals and correspoding
3/15/2022	EGL Resources/PBEX (PBEX)	Ruby	AFE's/JOA.

#### 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, LEA COUNTY, NEW MEXICO

Case No. 22226 – 22229

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#### AFFIDAVIT OF JOHN STEWART

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

- 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 Exhibit D-1** is a base map of the lands showing the proposed Bone Spring formation spacing units and wells.
- 5. Legacy Exhibit D-2 is a structure map showing the depth (subsea) to the top of the 2<sup>nd</sup> Bone Spring formation, 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, pinchouts, or other geologic impediments to developing this target interval.
- 6. **Legacy Exhibit D-3** is a stratigraphic cross-section flattened on the top of the 2<sup>nd</sup> Bone Spring formation. 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 2<sup>nd</sup> 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.

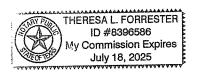
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- e. To best accommodate our development, a North-South well orientation was chosen. The wells will run sub-perpendicular to the inferred orientation of the maximum horizontal stress.
- 8. Exhibit D-1 through Exhibit D-3 were prepared by me or compiled from Legacy's company business records under my direct supervision.
- The granting of these applications is in the best interest of conservation, the 9. 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]

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FURTHER AFFIANT SAYETH NO	T.
Dated this day of Jnnl, 2022.	Mostunt
	John Stewart Legacy Reserves Operating LP
	Legacy Reserves Operating LF
STATE OF TEXAS	) ) ca
CITY AND COUNTY OF MIDLAND	) ss. )
	, ath
The foregoing instrument was substituted, 2022, by John Stewart, Senior	cribed and sworn to before me this $\frac{1}{2}$ day of Geologist for Legacy Reserves Operating LP.
Witness my hand and official seal.	
My commission expires: July 18, 2025	•
	Morona & Devotos



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#### **John Stewart**

432-664-8607 jjstew8607@gmail.com linkedin.com/in/john-s-b76232182

#### Senior Geologist/Exploration Manager

Corporate Support • Process Development • Reserves Estimation
Technical Evaluation • Flexible & Adaptable • Private Equity Fund-raising • Regional Operations

Proven exploration and operations geologist with 15 years' regional basin success through multi-dimensional analysis and in-depth resource evaluation. Able to evaluate conventional and unconventional assets while identifying sweet spots and perform regional geologic risk assessment of existing or emerging plays. Work with diverse teams consisting of engineers, petrophysicist, geophysicist to develop and execute exploration/appraisal drilling plans while monitoring industry activity in areas of interest.

#### **PROVEN EXPERTISE**

- Conventional Evaluation
- Unconventional Evaluation
- ➤ Multi-Discipline Collaboration
- ➤ Business Development
- > Development Strategy/Planning
- > Process Improvements
- Regional Risk Assessment
- ➤ Exploration & Appraisal
- ➤ Divestures & Acquisitions

#### PROFESSIONAL EXPERIENCE

#### Legacy Reserves, Midland Texas

December 2018 - Present

#### Senior Geologist Permian Basin

- Project development- identify and evaluate commercial prospects-both solicited and unsolicited, well completion, identification of landing zones, resource exploration through offset analysis of existing and emerging plays, recommendations to pursue assets and identification of risk.
- > Evaluation of multi-stacked plays in Spraberry/Bone Spring and Wolfcamp within the Permian Basin.
- > Conventional and unconventional analysis for horizontal development working with asset team composed of G&G, drilling, production, finance and land.
- > Developed remediation and protection plans for primary and secondary development based on lateral science in a multidisciplined arena.
- > Operational plan development, management of geosteering and mudlogging contractors.
- Board presentations for project approval, high level management discussions.

#### Stingray Exploration, Midland Texas

January 2018 - Dec 2018

#### **Senior Geologist Permian Basin**

- Dynamic team raising capital to develop self-sourced and market identified projects throughout the Permian Basin.
- Use of multi-disciplined analysis tying offset production and subsurface data to make comprehensive evaluations of prospects.

#### **Charger Shale Exploration, Midland Texas**

January 2016 - Jan 2018

#### **Senior Geologist Permian Basin**

- Project development- identify and evaluate commercial prospects-both solicited and unsolicited, well completion, identification of landing zones, resource exploration through offset analysis of existing and emerging plays, recommendations to pursue assets and identification of risk.
- Evaluation of multi-stacked plays in Spraberry/Bone Spring and Wolfcamp within the Permian Basin.
- > Conventional and unconventional analysis for horizontal development working with asset team composed of G&G, drilling, production, finance and land.
- Developed remediation and protection plans for primary and secondary development based on lateral science in a multidisciplined arena.
- Operational plan development, management of geosteering and mudlogging contractors.

Oil Conservation Division Hearing - June 17, 2022 Case Nos. 22226 to 22229 Legacy Reserves Operating LP - Exhibit D John Stewart PAGE 2

#### **Tall City Exploration, Midland Texas**

January 2014 - Jan 2016

#### **Geologist Permian Basin**

- ➤ Project development- identify and evaluate commercial prospects-both solicited and unsolicited, well completion, identification of landing zones, resource exploration through offset analysis of existing and emerging plays, recommendations to pursue assets and identification of risk.
- > Evaluation of multi-stacked plays in Spraberry/Bone Spring and Wolfcamp within the Permian Basin.
- Conventional and unconventional analysis for horizontal development working with asset team composed of G&G, drilling, production, finance and land.
- Developed remediation and protection plans for primary and secondary development based on lateral science in a multidisciplined arena.
- Operational plan development, management of geosteering and mudlogging contractors.

#### Halliburton Energy Services, Midland Texas

January 2010 - Jan 2014

#### Log Analyst\Petrophysicist

- > Conventional and unconventional analysis for reservoir identification.
- Cement and casing inspection analysis.
- Acoustic analysis for stress evaluation and rock mechanics.
- ➤ High level customer presentations and meetings to deliver results and provide technical sales.

#### **Other Industry Experience**

January 2001 – Jan 2010

Geologist-Arcadis
Geologist-Larson & Associates
Mud Logger- Selman & Associates
Engineer Intern- BJ Services Company USA
Teaching Aid Geology-UTPB
District Science Lab Coordinator-ECISD

#### EDUCATION & TRAINING

UNIVERSITY OF TEXAS IN THE PERMIAN BASIN Master of Geology

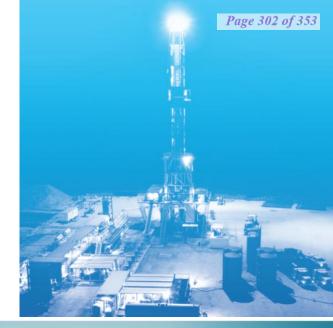
2006

UNIVERSITY OF TEXAS IN THE PERMIAN BASIN

2003

**Bachelor of Geology** 







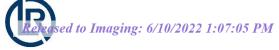
## Sapphire Exhibits

04/11/2022

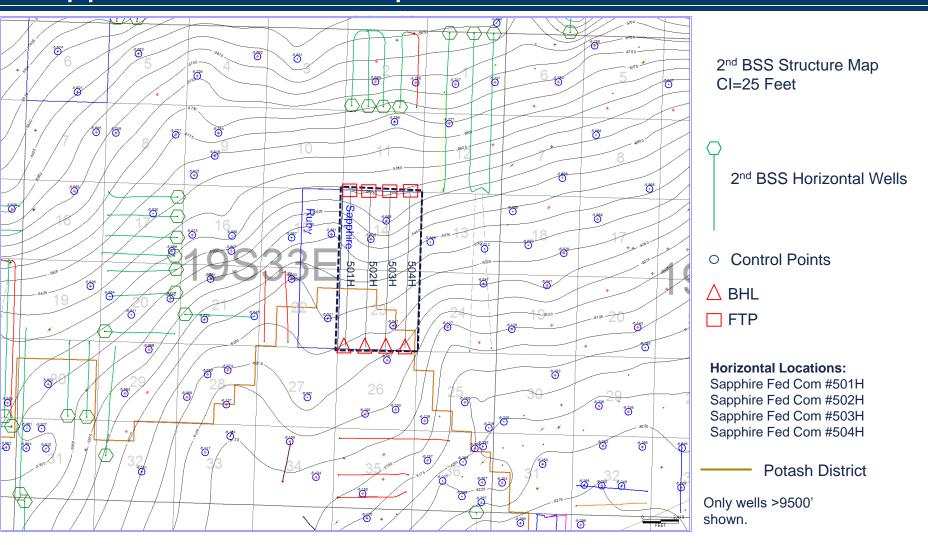
## Geology Basic Exhibits - Sapphire

## Sapphire Base Map Exhibit D-1



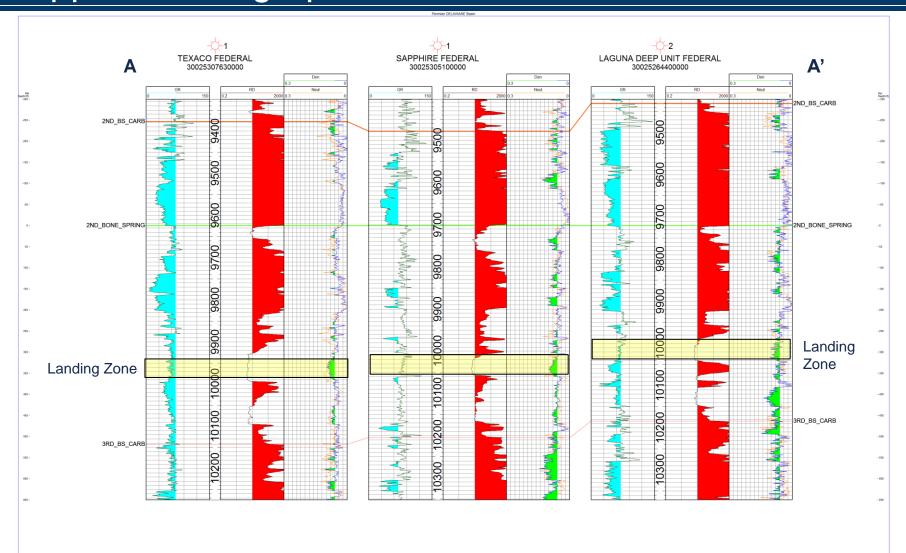


### Sapphire Structure Map Exhibit D-2





## Sapphire Stratigraphic Cross Section Exhibit D-3





HS=1901

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

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

CASE NO. 22226 CASE NO. 22227 CASE NO. 22228

#### **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 October 8, 2021 and March 4, 2022, which the Applicant mailed via U.S. Postal Service Certified Mail. Applicant also published notice of the Application in the Albuquerque Journal on October 11, 2021 and in the Carlsbad Current Argus on November 11, 2021. Said notice letters and proof of receipts are attached hereto.

James P. Parrot

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

My commission expires:

MARY GRACE T. GO-HOVELAND
Notary Public
State of Colorado
20114013519
My Commission Expires March 4, 2023

NOTARY PUBLIC

Oil Conservation Division Hearing - June 17, 2022

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Case Nos. 22226 to 22229

Legacy Reserves Operating LP - Exhibit E

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

COLORADO

NEW MEXICO
TEXAS

JOBY RITTENHOUSE

(303) 407-4457 JRITTENHOUSE@BWENERGYLAW.COM Uтан

WYOMING

October 8, 2021

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO SPACING AND POOLING PROCEEDINGS

Re: Applications of Legacy Reserves Operating LP for horizontal spacing and compulsory pooling, Lea County, New Mexico

Sapphire Fed Com 501H, 502H, and 503H Wells (Case Nos. 22226 – 22228)

Dear Interest Owners:

This letter is to advise you that Legacy Reserves Operating LP ("Legacy") has filed the enclosed applications, Case Nos. 22226 – 22228, with the New Mexico Oil Conservation Division for creating standard horizontal spacing units and the compulsory pooling of the Bone Spring Formation involving the Sapphire Fed Com 501H, 502H, and 503H Wells.

In Case No. 22226, Legacy plans to space and pool the  $W\frac{1}{2}W\frac{1}{2}$  of Section 14 and  $W\frac{1}{2}W\frac{1}{2}$  of Section 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, a standard unit encompassing 320 acres, more or less, dedicated to the Sapphire Fed Com 501H Well.

In Case No. 22227, Legacy plans to space and pool the E½W½ of Section 14 and E½W½ of Section 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, a standard unit encompassing 320 acres, more or less, dedicated to the Sapphire Fed Com 502H Well.

In Case No. 22228, Legacy plans to space and pool the W½E½ of Section 14 and W½E½ of Section 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico o, a standard unit encompassing 320 acres, more or less, dedicated to the Sapphire Fed Com 503H Well.

A hearing has been requested before a Division Examiner on November 4, 2021, 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

October 8, 2021 Case Nos. 22226 – 22228 Page 2

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.

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,

Jobediah Rittenhouse

Attorney for Legacy Reserves Operating LP









Received In OCD 6/10/2022 12:56:58 P				U.S. Postal Service <sup>™</sup> Page 314 of	53
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON	DELIVERY	e moute	CERTIFIED MAIL® RECEIPT	
Complete items 1, 2, and 3.	A. Signature			Domestic Mail Only	
Print your name and address on the reverse	IX Pm	Agent Address	1	For delivery information, visit our website at www.usps.com°.	
so that we can return the card to you.	B. Received by (Printed Name)	C. Date of Delivery		OFFICIAL NGE	
Attach this card to the back of the mailpiece, or on the front if space permits.	1553 0-19	10/12/21	Z L	Certified Mail Fee	arrabanir
1. Article Addressed to:	D. Is delivery address different from		П	\$	
	If YES, enter delivery address	below: No		Extra Services & Fees (check box, add fee as appropriate)  Return Receipt (hardcopy)  \$	
Case Nos. 22226, 22227 & 222	28			Return Receipt (electronic) \$ Postmark	
Olin E. Groves				Certified Mail Restricted Delivery \$ Here Adult Signature Required \$	
2507 Cimmaron				Adult Signature Restricted Delivery \$	
Midland, TX 79705			20	Postage	
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ATTORNEYS AT LAW
1675 BROADWAY, SUITE 600
DENVER, CO 80202
TELEPHONE 303-407-4499
FAX 1-800-886-6566
www.bwenergylaw.com

COLORADO

NEW MEXICO

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TEXAS

JOBY RITTENHOUSE

(303) 407-4457 JRITTENHOUSE@BWENERGYLAW.COM

October 8, 2021

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, Lea County, New Mexico Sapphire Fed Com 504H Well (Case No. 22229)

Dear Interest Owners:

This letter is to advise you that Legacy Reserves Operating LP ("Legacy") has filed the enclosed application, Case Nos. 22229, 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 Sapphire Fed Com 504H Well.

In Case No. 22229, Legacy plans to space and pool the E½E½ of Section 14 and E½E½ of Section 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, a standard unit encompassing 320 acres, more or less, dedicated to the Sapphire Fed Com 504H Well.

A hearing has been requested before a Division Examiner on November 4, 2021, 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.

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

October 8, 2021 Case No. 22229 Page 2

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,

Jobediah Rittenhouse

Attorney for Legacy Reserves Operating LP











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#### 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

JOBY RITTENHOUSE JAMES PARROT (303) 407-4457 JRITTENHOUSE@BWENERGYLAW.COM JPARROT@BWENERGYLAW.COM WYOMING

March 4, 2022

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO SPACING AND POOLING PROCEEDINGS

Re: Applications of Legacy Reserves Operating LP for horizontal spacing and compulsory pooling, Lea County, New Mexico

Sapphire Fed Com 501H, 502H, and 503H Wells (Case Nos. 22226 – 22228)

Dear Interest Owners:

This letter is to advise you that Legacy Reserves Operating LP ("Legacy") has filed the enclosed applications, Case Nos. 22226 – 22228, with the New Mexico Oil Conservation Division for creating standard horizontal spacing units and the compulsory pooling of the Bone Spring Formation involving the Sapphire Fed Com 501H, 502H, and 503H Wells.

In Case No. 22226, Legacy plans to space and pool the W½W½ of Section 14 and W½W½ of Section 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, a standard unit encompassing 320 acres, more or less, dedicated to the Sapphire Fed Com 501H Well.

In Case No. 22227, Legacy plans to space and pool the  $E\frac{1}{2}W\frac{1}{2}$  of Section 14 and  $E\frac{1}{2}W\frac{1}{2}$  of Section 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, a standard unit encompassing 320 acres, more or less, dedicated to the Sapphire Fed Com 502H Well.

In Case No. 22228, Legacy plans to space and pool the W½E½ of Section 14 and W½E½ of Section 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico o, a standard unit encompassing 320 acres, more or less, dedicated to the Sapphire Fed Com 503H Well.

A hearing has been requested before a Division Examiner on June 17, 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

#### BEATTY & WOZNIAK, P.C.

March 4, 2022 Case Nos. 22226 – 22228 Page 2

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: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a> 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.

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 <a href="mailto:bwillis@legacyreserves.com">bwillis@legacyreserves.com</a>.

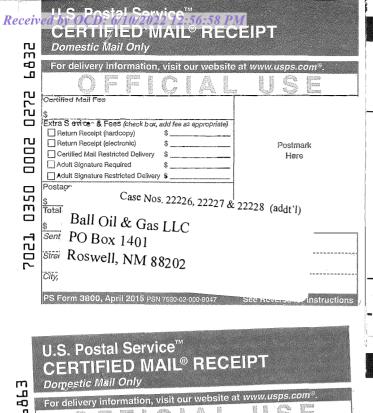
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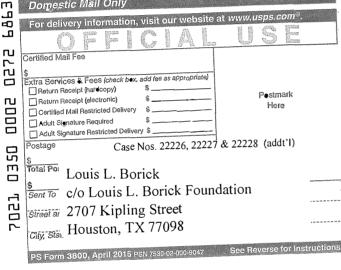
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Attorney for Legacy Reserves Operating LP







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Page 330 of 353



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James K. & Martha L. Lusk Trust 2020 Osceola Denver, CO 80212

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UNABLE TO FOIL Conservation Division Hearing - June 17, 2022

Case Nos. 22226 to 22229 0 1 9 8 EC: 80202469250 

#### 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

JOBY RITTENHOUSE JAMES PARROT (303) 407-4457 JRITTENHOUSE@BWENERGYLAW.COM JPARROT@BWENERGYLAW.COM WYOMING

March 4, 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, Lea County, New Mexico Sapphire Fed Com 504H Well (Case No. 22229)

Dear Interest Owners:

This letter is to advise you that Legacy Reserves Operating LP ("Legacy") has filed the enclosed application, Case Nos. 22229, 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 Sapphire Fed Com 504H Well.

In Case No. 22229, Legacy plans to space and pool the E½E½ of Section 14 and E½E½ of Section 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, a standard unit encompassing 320 acres, more or less, dedicated to the Sapphire Fed Com 504H Well.

A hearing has been requested before a Division Examiner on June 17, 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: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a> 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.

March 4, 2022 Case No. 22229 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 <a href="mailto:bwillis@legacyreserves.com">bwillis@legacyreserves.com</a>.

Sincerely,

Jobediah Rittenhouse

Attorney for Legacy Reserves Operating LP

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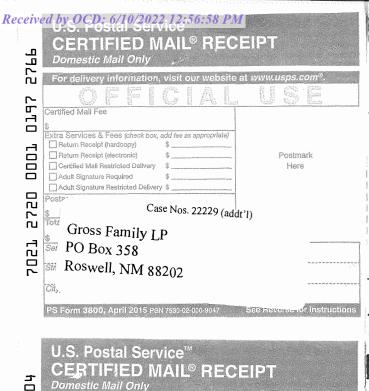
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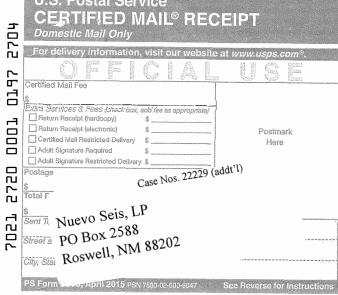
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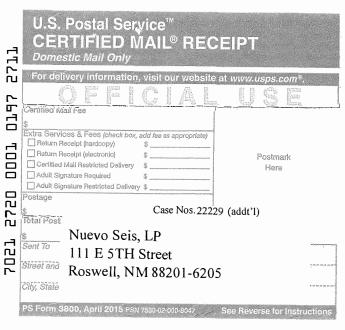
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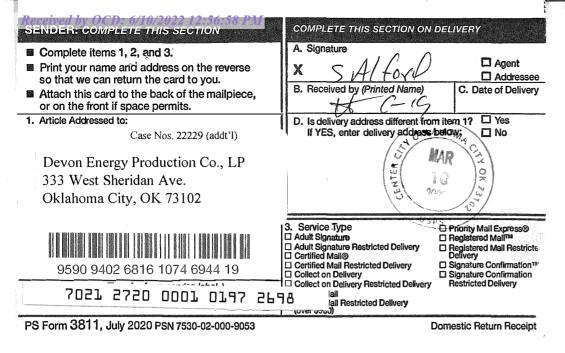
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Page 335 of 353

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Page 336 of 353

1675 Broadway, Suite 600 Denver, CO 80202-4692

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Case Nos. 22229 (addt'l)

James K. & Martha L. Lusk Trust 2020 Osceola Denver, CO 80212

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Legacy Reserves Operating LP - Exhibit E

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Francis T. Nash

Case Nos. 22229 (addt'l)

2075 Vista Drive N. Palm Beach, FL 33408

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Case Nos. 22229 (addt'l)

Francis T. Nash 2075 Vista Drive N. Palm Beach, FL 33408



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LEGAL NOTICE October 11, 2021

STATE OF NEW MEXICO

ENERGY, MINERALS, AND NATURAL RESOURCES
DEPARTMENT

OIL CONSERVATION DIVISION, SANTA FE, NEW MEXICO

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 auxillary 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 October 24, 2021

> 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 interest owners and pooled parties, including Legacy Reserves Operating LP, AmeriPermian Holdings, LLC, Chad Barbe, Chevron USA Inc., COG Operating LLC, ConocoPhillips Company, Explorers Petro Corp, Grewal Royalty LLC, Jalapeno Corporation, John E. Sherry and wife, Dena, Laurelind Corp, MCM Permian LLC, McMullen Minerals LLC, MRC Delaware Resources LLC, MRC Explorers Resources LLC, MRC Spiral Resources LLC, Nadel & Gussman Capitan LLC, Olin E. Groves, Pegasus Resources LLC, Saba Energy of Texas Inc, Sally Meader-Roberts, Spiral Inc, Yates JMBER **Energy Corporation** 

CASE NO: 22226: Application of Legacy Reserves Operating LP for a Horizontal Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a Styled cause seeks an order from the Division. (1) cleaning a standard 320-acre, more or less, spacing and proration unit comprised of the W½W½ of Section 14 and W½W½ of Section 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underline sold with the proposed well to be defineded to the beginning and the proposed well to be defineded to the beginning and the proposed well to be defineded to the beginning and the proposed well to be defineded to the beginning and the proposed well to be defineded to the beginning and the proposed well to be defineded to the beginning and provided the proposed well to be defineded to the beginning and provided to the proposed well to be defined to the proposed well to be defined to the proposed well to be defined to the provided to the proposed well to be defined to the provided to the proposed well to be defined to the proposed well to the proposed In the Bone Spring formation, designated as an oil pool, underlying said unit. The proposed well to be dedicated to the horizontal spacing unit is the Sapphire Fed Com 501H Well, an oil well, to be horizontally drilled from a surface location in the NW4NW4 of Section 14, Township 19 South, Range 33 East, N.M.P.M., to a bottom hole location in the SW4SW4 of Section 23, Township 19 South, Range 33 East, N.M.P.M. The well is orthodox in location and the take points and lateral comply with Stateshield Rules for the proposed will be with Statewide Rules for setbacks; also to be considered will be with Statewide Hules for Serbacks; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 3 miles southwest of Lovington, New Mexico.

CASE NO. 22227: Application of Legacy Reserves Operating LP for a Horizontal Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit comprised of the E½W½ of Section 14 and E½W½ of Section 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit. The proposed well to be dedicated to the horizontal spacing unit is the Sapphire Fed Com 502H Well, an oil well, to be horizontally drilled from a surface location in the NW4NW4V of Section 14, Township 19 South, Range 33 East, N.M.P.M., to a bottom hole location in the SE¼SW¼ of Section 23, Township 19 South, Range 33 East, N.M.P.M. The well is orthodox in location and the take points and lateral comply with Statewide Rules for setbacks; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 3 miles southwest of Lovington, New Mexico. 23, Township 19 South, Range 33 East, N.M.P.M., Lea County

# DAVIT OF PUBLICATION

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Bernalillo

SS

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 examiner on the following cases. 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, November 4, 2021, 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 filled in the case may be viewed at https://ocdimage.emnrd.state.nm.us/maging/CaseFileCriteria.aspx. If



Official Seal Christina White Notary Public State of New Mexico

My Commission Expires:

ubscribed before me, a Notary Public, in and of Bernalillo and State of New Mexico this

October

2021

\$669.39

come at the end of month.

1097734

Official Seal Christina White Notary Public State of New Mexico

## **AFFIDAVIT OF PUBLICATION**

SS

### STATE OF NEW MEXICO

CASE NO: 22226 CASE NO. 22227 CASE NO. 22228 County of Bernalillo

Elise Rodriguez, the undersigned, authorized Representative of the Albuquerque Journal, on oath states that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, that payment therefore has been made of assessed as court cost; and that the notice, copy of which is hereto attached, was published in said paper in the regular daily edition, for 1 time(s) on the following date(s):

Sworn and subscribed before me, a Notary Public, in and for the County of Bernalillo and State of New Mexico this

11 day of October of 2021

PRICE \$669.39

Statement to come at the end of month.

ACCOUNT NUMBER 1097734

ing LP for a Horizontal Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit comprised of the W½W½ of Section 14 and W½W½ of Section 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit. The proposed well to be dedicated to the horizontal spacing unit is the Sapphire Fed Com 501H Well, an oil well, to be horizontally drilled from a surface location in the NW¼NW¼ of Section 14, Township 19 South, Range 33 East, N.M.P.M., to a bottom hole location in the SW¼SW¼ of Section 23, Township 19 South, Range 33 East, N.M.P.M. The well is orthodox in location and the take points and lateral comply with Statewide Rules for setbacks; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 3 miles southwest of Lovington, New Mexico.

CASE NO. 22227: Application of Legacy Reserves Operating LP for a Horizontal Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit comprised of the E½W½ of Section 14 and E½W½ of Section 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit. The proposed well to be dedicated to the horizontal spacing unit is the Sapphire Fed Com 502H Well, an oil well, to be horizontally drilled from a surface location in the NW%NW% of Section 14, Township 19 South, Range 33 East, N.M.P.M., to a bottom hole location in the SE¼SW¼ of Section 123, Township 19 South, Range 33 East, N.M.P.M. The well is orthodox in location and the take points and lateral comply with Statewide Rules for setbacks; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 3 miles southwest of Lovington, New Mexico.

Ing LP for a Horizontal Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit comprised of the W½E½ of Section 14 and W½E½ of Section 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit. The proposed well to be dedicated to the horizontal spacing unit is the Sapphire Fed Com 503H Well, an oil well, to be horizontally drilled from a surface location in the NWANE¼ of Section 14, Township 19 South, Range 33 East, N.M.P.M., to a bottom hole location in the SW¼SE¼ of Section 23, Township 19 South, Range 33 East, N.M.P.M., The well is orthodox in location and the take points and lateral comply with Statewide Rules for setbacks; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof, actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well and lands are located approximately 3 miles southwest of Lovington, New Mexico.

Journal: October 11, 2021

Journal: October 11, 2021



# Affidavit of Publication Ad # 0005010345 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:

11/20/2021

Y Legal Clerk

Subscribed and sworn before me this November 20,

2021:

State of WI, County of Brown NOTARY PUBLIC

NOTARY PUBLIC

My commission expires

KATHLEEN ALLEN Notary Public State of Wisconsin

Ad # 0005010345 PO #: 0005010345 # of Affidavits1

This is not an invoice

Oil Conservation Division Hearing (Fune 17, 2022)

Case Nos. 22226 to 20229

Legacy Reserves Operating LP - Exhibit F

LEGAL NOTICE November 20, 2021

STATE OF NEW MEXICO ENERGY, MINERALS, AND NATURAL RESOURCES DE-PARTMENT OIL CONSERVATION DIVI-SION, 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 cases. 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, December 2, 2021, begin-ning at 8:15 A.M. To participate in the electronic hear-ing, see the instructions posted below. The docket may be viewed at http://ww w.emnrd.state.nm.us/OCD/h earings-info/ or obtained from Marlene Salvidrez at M arlene.Salvidrez@state.nm.u Documents filed in the case may be viewed at https: //ocdimage.emnrd.state.nm. us/imaging/CaseFileCriteria.a spx. If you are an individual with a disability who needs a reader, amplifier, quali-fied sign language interpreter, or other form of auxiliary aid or service to attend or participate in the hear-ing, contact Marlene Salvidrez at Marlene.Salvidr Mexico Relay Network at 1-800-659-1779, no later than November 22, 2021.

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 interest owners and pooled parties, including Legacy Reserves Operating LP, AmeriPermian Holdings, LLC, Chad Barbe, Chevron USA Inc., COG Operating LLC, ConocoPhillips Compa-

ny, Explorers Petro Corp, Grewal Royalty LLC, Jalapeno Corporation, John E. Sherry and wife, Dena, Laurelind Corp, MCM Permian LLC, MRC Delaware Resources LLC, MRC Explorers Resources LLC, MRC Spiral Resources LLC, Nadel & Gussman Capitan LLC, Olin E. Groves, Pegasus Resources LLC, Saba Energy of Texas Inc, Sally Meader-Roberts, Spiral Inc, Yates Energy Corporation

case No: 22226: Application of Legacy Reserves Operating LP for a Horizontal Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks and order from the Division: (1) order from the Division: (1) creating a standard 320acre, more or less, spacing and proration unit com-prised of the W½W½ of Sec-tion 14 and W½W½ of Section 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and (2) pooling all uncom-mitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit. The proposed well to be dedicated to the horizontal spacing unit is the Sapphire Fed Com 501H Well, an oil well, to be horizontally drilled from a surface location in the NW¼NW¼ of Section 14, Township 19 South, Range 33 East, N.M.P.M., to a bottom hole location in the SW¼SW¼ of Section 23, Township 19 South, Range 33 East, N.M.P.M. The well is orthodox in location and the take points and lateral comply with Statewide Rules for setbacks; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 3 miles southwest of Lovington, New Mexico. CASE NO. 22227: Applica-

tion of Legacy Reserves Operating LP for a Horizontal

> Oil Conservation Division Hearing - June 17, 2022 Case Nos. 22226 to 22229 Legacy Reserves Operating LP - Exhibit F

Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit comprised of the E½W½ of Sec-

tion 14 and E½W½ of Section 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit. The proposed well to be dedicated to the horizontal spacing unit is the Sapphire Fed Com 502H Well, an oil well, to be horizontally drilled from a surface location in the NW¼NW¼ of Section 14, Township 19 South, Range 33 East, N.M.P.M., to a bottom hole location in the SE¼SW¼ of Section 23, Township 19 South, Range 33 East, N.M.P.M. The well is orthodox in location and the take points and lateral comply with Statewide Rules for setbacks; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 3 miles for setbacks; also to be conapproximately southwest of Lovington, New Mexico. CASE NO. 22228: Applica-Lovington, tion of Legacy Reserves Op-erating LP for a Horizontal Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit com-prised of the W½E½ of Secprised of the W½E½ of Section 14 and W½E½ of Section 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit. The proposed well to be dedicated to the horizontal spacing unit is the Sapphire Fed Com 503H Well, an oil well, to be horizontally drilled from a surface location in the NW¼NE¼ of Section 14, Township 19 South, Range 33 East, N.M.P.M., to a bottom hole location in the SW¼SE¼ of Section 23, Township 19 South, Range 33 East, N.M.P.M. The well is orthodox in location and the take points and lateral comply with Statewide Rules for setbacks; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 3 miles southwest of Lovington, New Mexico. #0005010345, Current Argus, November 20, 2021

**LEGAL NOTICE** October 11, 2021

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

The Sate 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, November 4, 2021, 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.emnird.state.nm.us/COV/hearings-info/ or obtained from Martene 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 auxilplifier, 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 October 24, 2021

> 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 88 Principal Meridian whether or not so stated.)

TO: All overriding-royalty interest owners and pooled parties, including AmeriPermian Holdings, LLC, Bob G. Howell, C. Warren Scott, Co Sealy H. Cavin, Chad Barbe, Charles Warren Scott, Trustee of the Scott Brothers Trust & Charles Warren Scott, Trustee of the Scott Brothers Trust, Cheryl Schellinger, Chevron USA Inc., Chisholm Energy, COG Operating LLC, ConocoPhillips Company, Daniel W. Varel, David J. Sorenson, Duane D. Andersen, Explorers Petro Corp, Fortress Energy Partners II, LP, Frank & Robin Morgan, George L. Scott, III, Co Sealy H. Cavin, Glen R. Andersen, Grewal Royalty LLC, Jalapeno Corporation, John E. Sherry and wife, Dena, Laurelind Corp, Legacy Reserves Operating LP, Marvin J. Andersen, MCM Permian LLC, McMullen Minerals LLC, MRC Delaware Resources LLC, MRC Explorers Resources LLC, MRC Spiral Resources LLC, MRC Explorers Resources LLC, MRC Spiral Resources LLC, Nadel & Gussman Capitan LLC, Nuevo Seis, Hesources LLC, Nadel & Gussman Capitan LLC, Nuevo Seis, LP, Olin E. Groves, Pegasus Resources LLC, Platform Energy III, LLC, Saba Energy of Texas Inc, Sally Meader-Roberts, Sealy H. Cavin, Jr. and Synda Cavin, Trustees of the Cavin Trust, Spiral Inc, Stephen T. Mitchell, c/o Sealy H. Cavin, Stephen T. Mitchell c/o Sealy H. Cavin, Susan Scott Murphy, Williamson Enterprises, Winn Investments, Yates Energy Corporation

CASE NO: 22229: Application of Legacy Reserves Operating LP for a Horizontal Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the abovestyled cause seeks an order from the Division: (1) creating a styled cause seeks an older from the Division. If Creating standard 320-acre, more or less, spacing and proration unit comprised of the E½E½ of Section 14 and E½E½ of Section 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying acid unit. The proposed well to be defined to the beginning the control of the proposed well to be defined to the control of the proposed well to be defined to the control of the proposed well to be defined to the control of the proposed well to be defined to the control of the proposed well to be defined to the control of the proposed well to be defined to the control of the proposed well to be defined to the proposed well to the propose in the Bone Spring formation, designated as an oil pool, underlying said unit. The proposed well to be dedicated to the horizontal spacing unit is the Sapphire Fed Com 504H Well, an oil well, to be horizontally drilled from a surface location in the NW/MNE% of Section 14, Township 19 South, Range 33 East, N.M.P.M., to a bottom hole location in the SE/4SE% of Section 23, Township 19 South, Range 33 East, N.M.P.M. The well is orthodox in location and the take points and lateral comply with Statewide Rules for setbacks; also to be considered will be the cost of drilling and completion the well and the allocation of the cost of drilling and completing the well and the allocation of the costs thereot; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately and the cost of the mately 3 miles southwest of Lovington, New Mexico.

Journal: October 11, 2021

## IT OF PUBLICATION

EW MEXICO

SS illo

undersigned, authorized Representative of the Albuquerque Journal, on oath spaper is duly qualified to publish legal notices or advertisements within the Chapter 167, Session Laws of 1937, that payment therefore has been made cost; and that the notice, copy of which is hereto attached, was published in ar daily edition, for 1 time(s) on the following date(s):

Official Seal Christina White Notary Public State of New Mexico

My Commission Expires:

bed before me, a Notary Public, in and

nalillo and State of New Mexico this

2021

# STATE OF NEW MEXICO

County of Bernalillo

SS

CASE NO: 22229

Elise Rodriguez, the undersigned, authorized Representative of the Albuquerque Journal, on oath states that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, that payment therefore has been made of assessed as court cost; and that the notice, copy of which is hereto attached, was published in said paper in the regular daily edition, for 1 time(s) on the following date(s):

10/11/2021

Official Seal Christina White Notary Public State of New Mexico My Commission Expires: =

Notary Public, in and Sworn and subscribed before me, a for the County of Bernalillo and State of New Mexico this

day of October

2021

PRICE

\$421.88

Statement to come at the end of month.

ACCOUNT NUMBER

1097734

Corp, Legacy Reserves Operating LP, Marvin J. Andersen, MCM Permian LLC, McMullen Minerals LLC, MRC Delaware Resources LLC, MRC Explorers Resources LLC, MRC Spiral Resources LLC, Nadel & Gussman Capitan LLC, Nuevo Seis, LP, Olin E. Groves, Pegasus Resources LLC, Platform Energy III, LLC, Saba Energy of Texas Inc, Sally Meader-Roberts, Sealy H. Cavin, Jr. and Synda Cavin, Trustees of the Cavin Trust, Spiral Inc, Stephen T. Mitchell, c/o Sealy H. Cavin, Stephen T. Mitchell c/o Sealy H. Cavin, Susan Scott Murphy, Williamson Enterprises, Winn Investments, Yates Energy Corporation

CASE NO: 22229: Application of Legacy Reserves Operating LP for a Horizontal Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit composed of the E½E½ of Section 14 and E½E½ of Section 13 Courseling 10 County Pages 22 Earth Manual County 10 Co 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, 23, I ownship 19 South, Hange 33 East, N.M.P.M., Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit. The proposed well to be dedicated to the horizontal spacing unit is the Sapphire Fed Com 504H Well, an oil-well, to be horizontally drilled from a surface location in the NW4NE¼ of Section 14, Township 19 South, Range 33 East, N.M.P.M., to a bottom hole location in the SE¼SE¼ of Section N.M.P.M., to a bottom hole location in the SE 1/8 M of Section 23, Township 19 South, Range 33 East, N.M.P.M. The well is orthodox in location and the take points and lateral comply with Statewide Rules for setbacks; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well-poly unit and a 200% observe for the rick invested in drilling and and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 3 miles southwest of Lovington, New Mexico.

Journal: October 11, 2021

# Carlsbad Current Argus.

KATHLEEN ALLEN Notary Public State of Wisconsin

# Affidavit of Publication Ad # 0005010367 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:

11/20/2021

/ /Legal Clerk

Subscribed and sworn before me this November 20,

2021:

tate of WI, County of Brown

NOTARY PUBLIC

My commission expires

Ad # 0005010367 PO #: 0005010367 # of Affidavits1

This is not an invoice

Oil Conservation Division Hearing - June 17, 2022

Released to Imaging: 6/10/2022 1:07:05 PM

LEGAL NOTICE November 20, 2021

STATE OF NEW MEXICO ENERGY, MINERALS, AND NATURAL RESOURCES DE-PARTMENT OIL CONSERVATION DIVI-SION, SANTE FE, NEW MEXICO

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Divi-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. are closed to the public and hearings will be conducted remotely. The hearing will be conducted on Thursday, December 2, 2021, 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. posted below. The docket may be viewed at http://ww w.émnrd.state.nm.us/OCD/h earings-info/ or obtained from Marlene Salvidrez at M arlene.Salvidrez@state.nm.u s. Documents filed in the case may be viewed at https: llocdimage.emnrd.state.nm. us/imaging/CaseFileCriteria.a spx. 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 hear-ing, contact Marlene ing, contact Marlene Salvidrez at Marlene.Salvidr contact ez@state.nm.us, or the New Mexico Relay Network at 1-800) 659-1779, no later than November 22, 2021.

STATE OF NEW MEXIC® 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 interest owners and pooled parties, including AmeriPermian Holdings, LLC, Bob G. Howell, C. Warren Scott, Clo Sealy H. Cavin, Chad Barbe, Charles Warren Scott, Trustee of the Scott Brothers Trust & Charles Warren Scott, Trustee of the Scott Brothers Trust, Cheryl Schellinger, Chevron USA Inc., Chisholm Energy, COG Operating LLC, ConocoPhillips Company, Daniel W. Varel, David J. Sorenson, Duane D. Andersen, Explorers Petro Corp. Fortress Energy Partners II, LP, Frank & Robin Morgan, George L. Scott, III, Clo Sealy H. Cavin, Glen R. Andersen, Grewal Royalty LLC, Jalapeno Corporation, John E. Sherry and wife, Dena, Laurelind Corp, Legacy Reserves Operating LP, Marvin J. Andersen, MCM Permian LLC, McMullen Minerals LLC, MRC Delaware Resources LLC, MRC Explorers Resources LLC,

ces LLC, MINC spiral nesour-ces LLC, Nadel & Gussman Capitan LLC, Nuevo Seis, LP, Capitan LLC, Nuevo Seis, LP, Olin E. Groves, Pegasus Resources LLC, Platform Energy III, LLC, Saba Energy of Texas Inc, Sally Meader-Roberts, Sealy H. Cavin, Jr. and Synda Cavin, Trustees of the Cavin Trust, Spiral Inc, Stephen T. Mitchell, do Sealy H. Cavin, Stephen T. Mitchell do Sealy H. Cavin, Susan Scott Murphy, Williamson Enterprises, Winn Investments, Yates Energy Corporation winn Investments, Yates Energy Corporation
CASE NO: 22229: Application of Legacy Reserves Operating LP for a Horlzontal Spacing Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320-acre, more or less, spacing and proration unit comprised of the EVEY2 of Section 14 and EVEY2 of Section 14 and EVEY2 of Section 17 (2) pooling all uncommitted mineral interests in the Bone Spring formation. the Bone Spring formation, designated as an oil pool, underlying said unit. The proposed well to be dedicated to the horizontal spacing unit is the Sapphire Fed Com 504H Well, an oil well, to be horizontally drilled from a surface location in the NW4NE44 of Section 14, Township 19 South, Range 33 East, N.M.P.M., to a bottom hole location in the SE45E44 of Section 23, Township 19 South, Range 33 East, N.M.P.M. The well is orthodox in location and the take points and lateral comply with Statewide Rules for setbacks; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual opthe NW14NE14 of Section 14, the costs thereof; actual operating costs and charges for supervision; the designafor supervision; the designa-tion of the Applicant as Op-erator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 3 miles southwest of Lovington, New Mexico. #0005010367, Current Argus, November 20, 2021

#### 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, LEA COUNTY, NEW MEXICO

Case No. 22226 - 22229

#### SUPPLEMENTAL AFFIDAVIT OF BRETT WILLIS

Brett Willis, being first duly sworn upon oath, deposes and states as follows:

- 1. My name is Brett Willis, and I am employed by Legacy Reserves Operating LP ("Legacy") as a Senior Landman.
- 2. I have not previously testified before the New Mexico Oil Conservation Division ("Division"). I have several years of experience in petroleum land matters, and I have worked directly or in a supervisory role with the properties that are the subject of these matters. I ask that the Division accept my credentials as those of an expert witness in petroleum land matters and made a matter of record.
  - a. I have a Bachelor of Arts Degree in Marketing from Oral Roberts
    University and a Master of Business Administration in Oil and Gas Management from
    the Aberdeen Business School of Robert Gordon University.
  - b. I have a Certified Professional Landman (CPL) certification from the American Association of Professional Landmen (AAPL).
  - c. I have worked in petroleum land matters since April 2011, 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. I am familiar with the applications filed by Legacy in these consolidated cases and the status of the lands in the subject lands.
- 5. A review of the Bone Spring Formation underlying the subject lands indicated that there are no overlapping spacing units in the Bone Spring Formation.
- 6. 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]

Released to Imaging: 6/10/2022 1:07:05 PM

FURTHER AFFIANT SAYETH NO	OT.
Dated this ign day of Way	Brett Willis
	Legacy Reserves Operating LP
	Legacy reserves operating Er
STATE OF COLORADO	)
CITY AND COUNTY OF DENVER	) ss. )
The foregoing instrument was sub, 2022, by Brett Willis, Senior l	scribed and sworn to before me this 19° day of Landman for Legacy Reserves Operating LP.
Witness my hand and official seal.	
My commission expires: 05/25/202	
SHERI L HERING Notary Public State of Colorado Notary ID # 20054029730 My Commission Expires 05-25-2025	Ja de Clay

Released to Imaging: 6/10/2022 1:07:05 PM