BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING APRIL 6, 2023

Case No. 23403

Jet Federal Com 401H Jet Federal Com 501H Jet Federal Com 601H

Eddy County, New Mexico



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

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

Case No. 23403

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST B	E SUPPORTED BY SIGNED AFFIDAVITS
Case:	APPLICANT'S RESPONSE
Date	March 30, 2023
Applicant	Legacy Reserves Operating LP
Designated Operator & OGRID (affiliation if applicable)	294281
Applicant's Counsel:	James Parrot, Beatty & Wozniak, P.C.
Case Title:	Application of Legacy Reserves Operating LP for a Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	N/A
Well Family	Jet
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Entire Formation
Pool Name and Pool Code:	Bone Spring [pending]
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240, more or less
Building Blocks:	Quarter-Quarter sections
Orientation:	North-South
Description: TRS/County	W/2E/2 of Section 33, T-18-S, R-31-E, Eddy County and W/2NE/4 of Section 4, T-19-S, R-31-E, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	Ν
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit C

Well(s)						
	Jet Fed Com 401 H Well (API No. Pending)					
	SHL: NE/4NE/4 (Lot A) of Section 33, Township 18 South,					
	Range 31 East, N.M.P.M.					
Well #1	BHL: SW/4NE/4 (Lot G) of Section 4, Township 19 South, Range 31 East, N.M.P.M.					
Well #1	Range SI East, N.IVI.F.IVI.					
	Completion Target: Bone Spring Formation					
	Well Orientation: North to South					
	Completion Location: Standard					
	Jet Fed Com 501 H Well (API No. Pending)					
	SHL: NE/4NE/4 (Lot A) of Section 33, Township 18 South, Range 31 East, N.M.P.M.					
	BHL: SW/4NE/4 (Lot G) of Section 4, Township 19 South,					
Well #2	Range 31 East, N.M.P.M.					
	Completion Target: Bone Spring Formation					
	Well Orientation: North to South					
	Completion Location: Standard					
	Jet Fed Com 601 H Well (API No. Pending)					
	SHL: NE/4NE/4 (Lot A) of Section 33, Township 18 South, Range 31 East, N.M.P.M.					
	BHL: SW/4NE/4 (Lot G) of Section 4, Township 19 South					
Well #3	Range 31 East, N.M.P.M.					
	Completion Target: Bone Spring Formation					
	Well Orientation: North to South					
	Completion Location: Standard					
Horizontal Well First and Last Take Points	Exhibit C-2					
Completion Target (Formation, TVD and MD)	Exhibit D-2					
AFE Capex and Operating Costs						
Drilling Supervision/Month \$	N/A					
Production Supervision/Month \$	N/A					
Justification for Supervision Costs	N/A					
Requested Risk Charge	N/A					
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 and C-4
Tract List (including lease numbers and owners)	Exhibits C-3 and C-4
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	
Pooled Parties (including ownership type)	Exhibits C-4 and C-5
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	None
Joinder	
Sample Copy of Proposal Letter	N/A
List of Interest Owners (ie Exhibit A of JOA)	Exhibits C-4 and C-5
Chronology of Contact with Non-Joined Working Interests	N/A
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	N/A
Cost Estimate to Equip Well	N/A
Cost Estimate for Production Facilities	N/A
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibits C-2, C-3, D-1, D-4, and D-7
Gunbarrel/Lateral Trajectory Schematic	Exhibits C-3, D-1, D-2, D-4, D-5, D-7, and D-8
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D
HSU Cross Section	Exhibit D-2, D-5, and D-8
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits C-4
General Location Map (including basin)	Exhibit C-1
Well Bore Location Map	Exhibit C-2, D-1, D-2, D-4, D-5, D-7, and D-8
Structure Contour Map - Subsea Depth	Exhibit D-2, D-5, and D-8
Cross Section Location Map (including wells)	Exhibit D-1, D-4, and D-7
Cross Section (including Landing Zone)	Exhibit D-3, D-6, and D-9

Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information 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:	March 30, 2023

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

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

Case No.

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 240-acre, more or less, horizontal spacing and proration unit ("HSU") composed of the W½E½ of Section 33, Township 18 South, Range 31 East, N.M.P.M., and W½NE¼ of Section 4, Township 19 South, Range 31 East, N.M.P.M., New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit.

In support of its Application, Legacy states the following:

1. Legacy is a working interest owner with the right to drill in the proposed HSU.

2. Legacy seeks to dedicate the above-referenced HSU to the following proposed horizontal wells:

a. Jet Federal Com 401H Well, an oil well, to be horizontally drilled from an approximate surface location in the NE¹/₄NE¹/₄ of Section 33, Township 18 South, Range 31 East, N.M.P.M., to a bottom hole location in the SW¹/₄NE¹/₄ of Section 4, Township 19 South, Range 31 East, N.M.P.M.

b. Jet Federal Com 501H Well, an oil well, to be horizontally drilled from an approximate surface location in the NE¹/₄NE¹/₄ of Section 33, Township 18 South, Range 31 East, N.M.P.M., to a bottom hole location in the SW¹/₄NE¹/₄ of Section 4, Township 19 South, Range 31 East, N.M.P.M.

c. Jet Federal Com 601H Well, an oil well, to be horizontally drilled from an approximate surface location in the NE¹/₄NE¹/₄ of Section 33, Township 18 South, Range 31 East, N.M.P.M., to a bottom hole location in the SW¹/₄NE¹/₄ of Section 4, Township 19 South, Range 31 East, N.M.P.M.

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

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

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

WHEREFORE, Legacy requests that this Application be set for hearing on April 6, 2023, 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 240-acre, more or less, spacing and proration unit comprised of the W¹/₂E¹/₂ of Section 33, Township 18 South, Range 31 East, N.M.P.M., and W¹/₂NE¹/₄ of Section 4, Township 19 South, Range 31 East, N.M.P.M., Eddy County, New Mexico;

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

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

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

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

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

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

Dated: February 14, 2023.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By:

James P. Partot 1675 Broadway, Suite 600 Denver, CO 80202 (303) 407-4457 jparrot@bwenergylaw.com Application of Legacy Reserves Operating LP for a Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 240-acre, more or less, spacing and proration unit comprised of the W1/2E1/2 of Section 33, Township 18 South, Range 31 East, N.M.P.M., and W1/2NE1/4 of Section 4, Township 19 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit. The proposed wells to be dedicated to the horizontal spacing unit are the: (1) Jet Federal Com 401H Well, to be horizontally drilled from an approximate surface location in the NE¹/₄NE¹/₄ of Section 33, T18S-R31E, to a bottom hole location in the SW1/4NE1/4 of Section 4, Township 19 South, Range 31 East, N.M.P.M.; (2) Jet Federal Com 501H Well, to be horizontally drilled from an approximate surface location in the NE¹/₄NE¹/₄ of Section 33, T18S-R31E, to a bottom hole location in the SW1/4NE1/4 of Section 4, Township 19 South, Range 31 East, N.M.P.M.; and (3) Jet Federal Com 601H Well, to be horizontally drilled from an approximate surface location in the NE¹/₄NE¹/₄ of Section 33, T18S-R31E, to a bottom hole location in the SW¹/₄NE¹/₄ of Section 4, Township 19 South, Range 31 East, N.M.P.M. The wells are orthodox in location and the take points and laterals comply with Statewide Rules for setbacks; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 28 miles northeast of Carlsbad, New Mexico.

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

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

Case No. 23403

AFFIDAVIT OF TAYLOR THORESON

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

1. My name is Taylor Thoreson, and I am employed by Legacy Reserves Operating

LP ("Legacy") as its Director of Land.

2. I have previously testified before the New Mexico Oil Conservation Division

("Division") and had my credentials accepted as those of an expert. I have worked directly or in a supervisory role with the properties that are the subject of these matters.

- a. I have a Bachelor of Business Administration in Energy Management from the University of Oklahoma and a Master of Business Administration from Southern Methodist University Cox School of Business
- b. I am a Certified Professional Landman (CPL) certification by the American Association of Professional Landmen (AAPL).
- c. I have worked in petroleum land matters since May of 2013, including experience in the Permian Basin.

3. I am submitting this affidavit in support of Legacy's applications in the above-referenced cases pursuant to 19.15.4.12.(A)(1) NMAC.

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

5. Under Case No. 23403, Legacy seeks orders from the Division (1) creating standard 240-acre, more or less, spacing and proration units comprising lands in Section 33, Township 18 South, Range 31 East, N.M.P.M. and Section 4, Township 19 South, Range 31 East, N.M.P.M. Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation as follows:

a. The **Jet Fed Com 401 H Well** (API No. Pending), the **Jet Fed Com 501 H Well** (API No. Pending), and the **Jet Fed Com 601 H Well** (API No. Pending), which will be drilled to the Bone Spring Formation, one of which will be the initial well in the unit, all to be horizontally drilled from a surface location in the NE¹/₄NE¹/₄ of Section 33, Township 18 South, Range 31 East, N.M.P.M., to a bottom hole location in the SW¹/₄NE¹/₄ of Section 4, Township 19 South, Range 31 East, N.M.P.M.; and

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

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

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

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

10. **Legacy Exhibit C-4** sets forth the parties being pooled, the nature of their interests, and their last known address. The exhibit identifies the tract number, tract percentage interest, and

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

11. **Legacy Exhibits C-5** 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.

12. The interest owners being pooled have been contacted regarding the proposed wells and have voluntarily committed their interests in the wells by entering into a Joint Operating Agreement. Since a mutually agreeable Joint Operating Agreement has been reached between Legacy and the other 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.

13. Legacy does not request overhead and administrative rates for drilling and producing each well, as there are no nonconsenting working interest owners.

Oil Conservation Division Hearing Case No. 23403 Legacy Reserves Operating LP - Exhibit C

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14. Legacy does not request any cost recovery penalties, as there are no nonconsenting working interest owners.

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

16. **Exhibit C-1** through **Exhibit C-5** were either prepared by me or compiled from Legacy's company business records under my direction and supervision.

17. 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.

18. 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]

FURTHER AFFIANT SAYETH NOT.

Dated this 29th day of March, 2023.

hur-6

Taylor Thoreson Legacy Reserves Operating LP

STATE OF COLORADO

)) ss.)

CITY AND COUNTY OF DENVER

The foregoing instrument was subscribed and sworn to before me this $24^{\frac{h}{2}}$ day of <u>March</u>, 2023, by Taylor Thoreson, Director of Land for Legacy Reserves Operating LP.

Witness my hand and official seal.

My commission A L. FORRESTER

ID #8396586 Ay Commission Expires July 18, 2025

Cheven A Forreston

Taylor Lynn Thoreson, CPL

6701 Fern Drive • Denver, CO 80221 • (817) 269-1411 • taylorthoreson@yahoo.com

SUMMARY

Results-oriented land professional with over eight years of experience contributing as a leader and team member within fastpaced and dynamic organizations. A demonstrated record of accomplishment in asset development and management, stakeholder relations, business development, lease and surface negotiations, contract management, leadership, long-term development strategy, acquisition integration, complex negotiations, and due diligence. And overall, an innovative and resourceful problem solver with a passion for value creation and delivering strong and consistent results.

PROFESSIONAL EXPERIENCE

Legacy Reserves Inc.

Vice President, Land and Business Development

Director of Land

Land Manager of Business Development

March 2023 - Present June 2021 – March 2023 November 2020 – June 2021

- Manage and support all land, business development, and land administration functions across the entirety of Legacy's operated and non-operated portfolio of Permian, East Texas, Rockies, and Mid-Continent assets consisting of 250,000+ net acres
- Lead, mentor, and facilitate performance evaluations for a team of 8 employees and responsible for new-hire decisions and delivering staffing recommendations
- Negotiated, managed, and closed several divestitures, via internal and third-party marketed processes, cumulatively
 amounting to \$400MM in consideration, a complete operational exit of eight states, and a reduction in well count by
 9,000 wells to rationalize the overall portfolio and accelerate a new strategic vision
- Increased Legacy's inventory of development locations by 75% by sourcing and presenting strategic asset acquisitions and trade opportunities adding \$350MM+ of incremental value and 5 years of new inventory via over 20 transactions
- Present accomplishments of the land and business development functions at quarterly board meetings
- Created new land processes and procedures to facilitate a multi-rig and dual-basin development program and modified existing processes to better accommodate needs of the business
- Advise team on technical issues and negotiations related to leasing, transactions, development, title matters, etc.
- Generate the proposed annual land budget and track costs and perform reconciliations on a quarterly basis

Centennial Resource Development, Inc.

Senior Landman

Landman

March 2019 – November 2020 January 2017 – March 2019

- Collaborated with geology, engineering, and regulatory teams to plan and execute a 5-8 rig drilling program across various prospect areas in Reeves and Ward County, Texas and Lea County, New Mexico comprised of fee, federal and state acreage to prepare 100+ well locations
- Initiated and closed 10+ acreage trades equating to +11,000 net acres traded and \$200MM+ in incremental value
- Reviewed and negotiated Purchase and Sale Agreements, Exchange Agreements, Operating Agreements, Term Assignments, State Pooling Agreements, Production Sharing Agreements, Communitization Agreements, Contract Operations Agreements, Lease Agreements, Surface Use Agreements and other land-related agreements
- Supervised numerous large brokerage teams throughout grass roots leasing programs, acquisition due diligence and complex title projects
- Identified and negotiated creative cost-free solutions for well obligation reprieve to preserve capital budget in support of a more efficient and effective drilling program
- Served as an expert witness at force pooling hearings in New Mexico and guide wells through NMOCD force pooling
 process

• Oversaw start of company internship program by reviewing applicants, conducting interviews, selecting the internship project, and serving as the first intern coach

Encana Oil & Gas (USA) Inc.

Land Negotiator – Midland Basin

- Managed core assets of 20,000+ net acres and over 300 producing wells in Martin County, Texas
- Governed all aspects of title curative and performed Texas Railroad Commission compliance duties to allow for vertical and horizontal drilling of 40+ wells over a one-year period
- Closed transactions in the form of trades, acquisitions and divestitures valued at over \$100MM
- Completed analysis of 14,000 acres to determine a land strategy driven depletion plan resulting in \$117MM in future development savings

Land Negotiator – Tuscaloosa Marine Shale

- Responsible for all actions of an outside broker's leasing project on an exploratory play to expand the companies lease acreage within tight budgets and deadlines (25+ brokers working on the project)
- Developed an integrated lease tracking process for the land department that was implemented across multiple assets
- Maintained leasehold position of 180,000+ acres by negotiating lease extensions, amendments, and top leases
- Mentored summer interns on the process of clearing wells to drill and leasehold maintenance
- Attended and participated in MSOGA hearings for regular and alternate risk units to secure operatorship and unlock future value across the leasehold position

EDUCATION

Southern Methodist University, Cox School of Business Master of Business Administration The University of Oklahoma, Michael F. Price College of Business

Bachelor of Business Administration, Energy Management

August 2020 – December 2022

August 2011 – December 2014

AFFILIATIONS AND ACTIVITIES

American Association of Professional Landmen

- Accreditation Committee Chairman (2021-22), Assistant Chairman (2020-21), Voting Member (2019-23)
- Education Foundation Board Member (2022-23)

Permian Summit Foundation

• Board of Directors (2022-23)

EnGen Colorado Oil and Gas Association Leadership Development Program

- Graduate in the Class of 2020-21
- City Year Denver Volunteer, Corporate Fundraiser and Campaign Leader (2020)

Denver Metro Partners At-Risk Youth Mentorship Program

• Senior Partner (2016-20)

January 2016 – January 2017

January 2015 – January 2016

Jet Unit

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LEGACY

Oil Conservation Division Hearing Case No. 23403 Legacy Reserves Operating LP - Exhibit C-1

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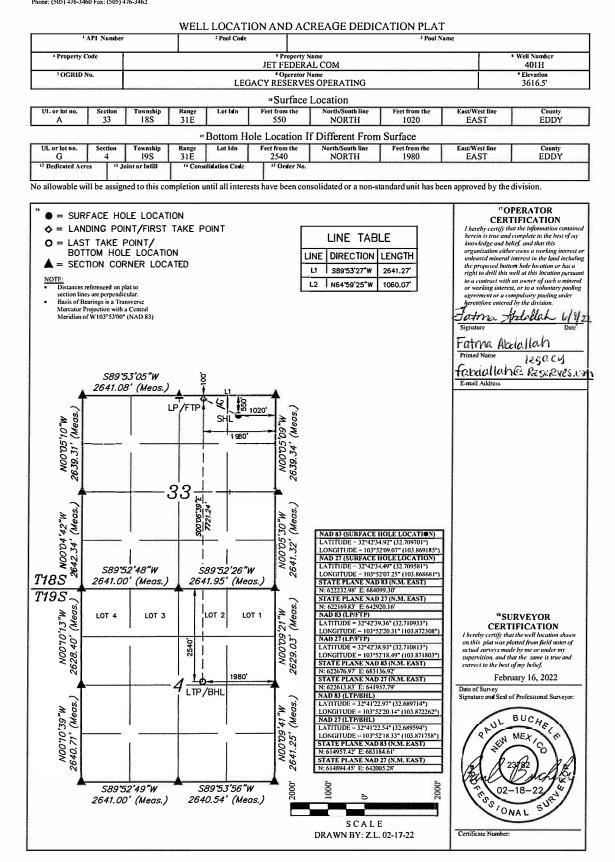
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L L District 1 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District 11 811 S. Fast St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District 111 1000 Rio Brazos Road, Artec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District 117 1220 S. R. 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



Form C-102

District 1 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-**0**720 Revised August 1, 2011 Energy, Minerals & Natural Resources Department Submit one copy to appropriate District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 OIL CONSERVATION DIVISION District Office District III 1000 R to Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 1220 South St. Francis Dr. AMENDED REPORT Santa Fe, NM 87505 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 WELL LOCATION AND ACREAGE DEDICATION PLAT API Number ² Pool Code Pool Name ⁴ Property Code ⁵ Property Name JET FEDERAL COM Cell Numbe 50111 OCRID No. *Operator Name LEGACY RESERVES OPERATING 3615.6 Surface Location East/West line UL or lot no. Section Lot Idn Feet from the ect from the Township Range 31E North/So EDDY 33 185 250 NORTH 1020 A EAST "Bottom Hole Location If Different From Surface Lot Idn Feet from the orth/Southlin NORTH Feet from 1980 East/West line EAST UL or lot no. County EDDY 31E 19S 2540 G 4 or Infil 15 Order 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. "OPERATOR SURFACE HOLE LOCATION CERTIFICATION I hereby certify that the information contained herein is trace and complete to the best of my knowledge and bellef, and that this organization either owns us working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuan ♦ = LANDING POINT/FIRST TAKE POINT LINE TABLE O = LAST TAKE POINT/ BOTTOM HOLE LOCATION LINE DIRECTION LENGTH SECTION CORNER LOCATED S89'53'27"W 2641.27 LI right to artif this well at this location pursuan to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. NOTE: • Distances referenced on plat to N81'13'41"W L2 971.59 Section lines are perpendicular. Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83) Etma Abdallah 4/9/2 Abdallah Fatma legacy abdallar reserves.con 250 S89'53'05"W 2641.08' (Meas.) 1020 12 LP /FTF SHL (Meas., N00'05'10"W 2639.31' (Meas. 1980 60 N00°05' 33 3.62,90.005 (Meas.) 7721.24 2642.34' (Meas.) M. OE. NAD 83 (SURFACE HOLE LOCATION) LATITUDE - 32"42"37.89" (32.710525") LONGITUDE - 103"52"09 07" (103.869186") NAD 27 (SURFACE HOLE LOCATION) N00'05' LATITUDE = 32°42'37.46° (32.710406') LONGITUDE = 103°52'07.26° (103.868682° STATE PLANE NAD 83 (N.M. EAST) . \$89*52'26"W 2641.95' (Meas.) 589*52'48"W 2641.00' (Meas. T185
 STATE PLANE NAD 83 (N.M. EAST)

 N: 622532.91' E: 684097.57'

 STATE PLANE NAD 27 (N.M. EAST)

 N: 622469.76' E: 642918.44'

 NAD 83 (LP/PTP)

 LATITUDE = 32*42'39.36' (32.716933°)

 LONGITUDE = 103*5220.31° (103.872308°)

 NAD 27 (LP/PTP)

 LATITUDE = 32*42'38.93' (32.710813°)

 LONGITUDE = 103*5218.49' (103.871803°)

 STATE PLANE NAD 83 (N.M. EAST)

 N: 622676.97' E: 683136.92'

 STATE PLANE NAD 83 (N.M. EAST)

 N: 622613.83' E: 641957.79'

 NAD 83 (LTP/BHL)

 LATITUDE = 32*4122.97' (32.689714°)
 T195 N00'10'13"W 2628.40' (Meas., "21"W (Meas. LOT 1 LOT 4 LOT 3 LOT 2 "SURVEYOR CERTIFICATION 2629.03' (I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and 2540 correct to the best of my belief 1980' February 16, 2022 4 Date of Survey LTP/BHL Signature and Seal of Professional Surveyor N00'09'41"W 2641.25' (Meas.) LATITUDE - 32*41'22.97" (32.689714*) N00'10'39"W 2640.71' (Meas. BUCHELE LONGITUDE = 32 41 22.57 (32.689714) LONGITUDE = 103°52'20.14" (103.87226 NAD 27 (LTP/BHL) LATITUDE = 32°41'22.54" (32.689594°) PAUL MEXICO LATITUDE = 32°41'22.5°4 (32.689594') LONGITUDE = 103°52'R 33' (103.871')58' STATE PLANE NAD 83 (N.M. EAST) N: 614957.42' E: 683184.61' STATE PLANE NAD 77 (M.M. EAST) N: 614894.45' E: 642005.28' NEW 2000' 2000' S89'52'49"W S89*53'56"W 000 02-18-.2 S 2641.00' (Meas.) 2640.54' (Meas.) G ONAL SCALE DRAWN BY: Z.L.02-17-22 Certificate Number

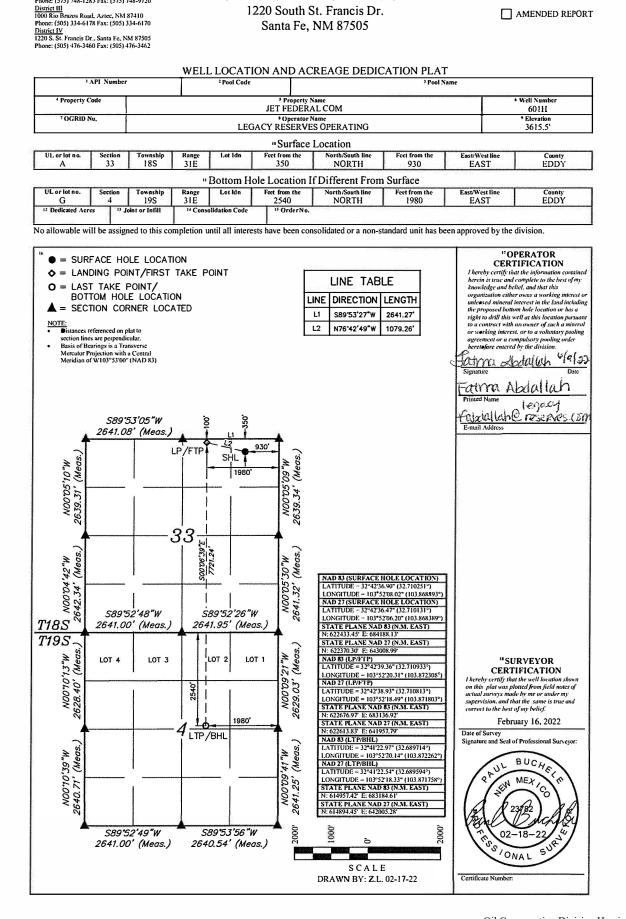
State of New Mexico

District 1 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

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

AMENDED REPORT



State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

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Oil Conservation Division Hearing Case No. 23403 Legacy Reserves Operating LP - Exhibit C-2



BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING APRIL 6, 2023

Case No. 23403

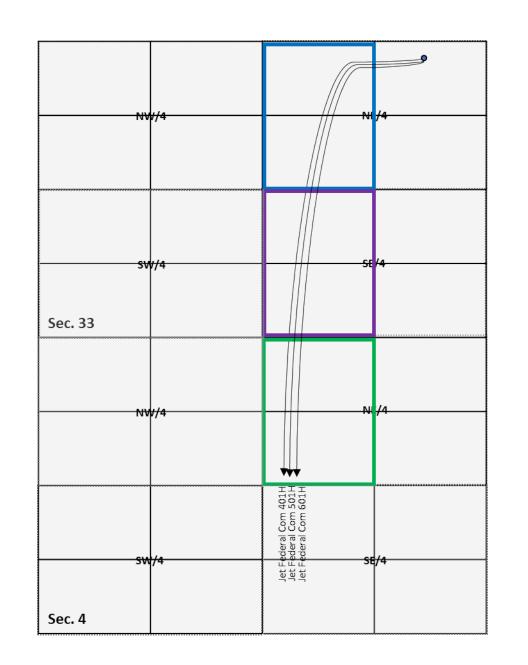
Jet Fed Com 401H Jet Fed Com 501H Jet Fed Com 601H

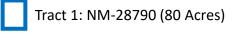
 18 South, 31 East, N.M.P.M.

 Section 33:
 W½E½

19 South, 31 East, N.M.P.M.Section 4:W½NE¼

Eddy County, New Mexico Bone Spring Formation





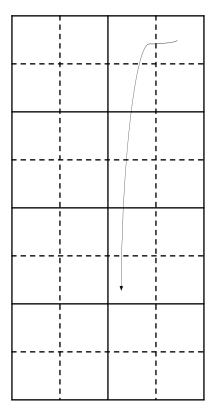
Tract 2: NMNM-12211 (80 Acres)

Tract 3: LC-069041 (80 Acres)

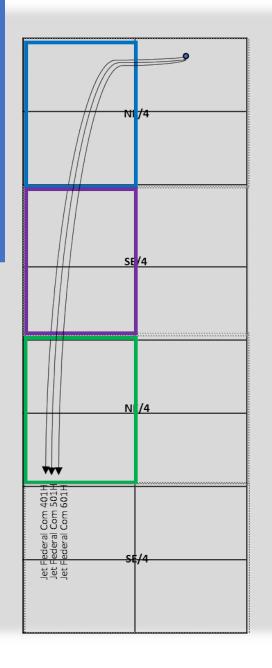
Oil Conservation Division Hearing Case No. 23403 Legacy Reserves Operating LP - Exhibit C-3

Working Interest Ownership Jet Fed Com 401H, 501H & 601H

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



Oil Conservation Division Hearing Case No. 23403 Legacy Reserves Operating LP - Exhibit C-4 Working Interest (Tract Ownership) Jet Fed Com 401H, 501H & 601H



Tract 1: NM-28790 (80 Acres)

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

Tract 2: NMNM-12211 (80 Acres)

OWNER	NET ACRES	TRACT WI	STATUS
Legacy Reserves Operating LP	80.00	1.0000000	Committed

Tract 3: LC-069041 (80 Acres)

OWNER	NET ACRES	TRACT WI	STATUS
COG Operating LLC	76.00	0.95000000	Uncommitted
Concho Oil & Gas LLC	4.00	0.05000000	Uncommitted

Legacy Reserves Operating LP - Chronology of Contact

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

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

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

As of the hearing date, Legacy Reserves and the other working interests owner have entered into a mutually agreeable Joint Operating Agreement.

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

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

Case No. 23403

AFFIDAVIT OF JOHN STEWART

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

1. My name is John Stewart, and I am employed by Legacy Reserves Operating LP ("Legacy") as a Senior Geologist.

2. I have not previously testified before the New Mexico Oil Conservation Division ("Division"). I have fifteen plus years of experience in petroleum geological matters, and I am familiar with the subject applications and the geology involved. I ask that the Division accept my credentials as those of an expert witness in petroleum geological matters and made a matter of record.

a. I have a Bachelor of Science Degree in Geology from The University of Texas of the Permian Basin and a Master of Science Degree in Geology from The University of Texas of the Permian Basin.

b. I have worked in matters of petroleum geology since 2006, which includes experience in the Permian Basin.

3. I am submitting this affidavit in support of Legacy's applications in the abovereferenced cases pursuant to 19.15.4.12.(A)(1) NMAC. *Received by OCD: 4/4/2023 3:01:38 PM*

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

5. Legacy Exhibits D-2, D-5, and D-8 are structure maps showing the depth (subsea) to the top of the 2nd 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 Exhibits D-3, D-6, and D-9 are stratigraphic cross-sections flattened on the top of the 2^{nd} 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^{nd} Bone Spring Sand. The landing zone is highlighted on the exhibit.

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

a. The target formation is present and continuous throughout the lands subject to the applications.

b. The horizontal spacing and proration unit is justified from a geologic standpoint.

c. There are no structural impediments or faulting that will interfere with horizontal development.

d. Each quarter-quarter section in the unit will contribute more or less equally to production, and I can confirm each quarter section along the lateral will also contribute more or less equally to production. e. To best accommodate our development, a North-South well orientation was chosen. The wells will run sub-perpendicular to the inferred orientation of the maximum horizontal stress.

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

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

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

[Remainder of page left intentionally blank]

FURTHER AFFIANT SAYETH NOT.

Dated this <u>39</u> day of <u>March</u>, 2022.

Cur

John Stevart Legacy Reserves Operating LP

STATE OF TEXAS

)) ss.)

CITY AND COUNTY OF MIDLAND

The foregoing instrument was subscribed and sworn to before me this $\frac{24^{+h}}{1000}$ day of <u>March</u>, 2022, by John Stewart, Senior Geologist for Legacy Reserves Operating LP.

Witness my hand and official seal.

My commission spices In HERESA L. FORRESTER ID #8306586 My Commission Expires July 18, 2025

Shereat Forristes

Oil Conservation Division Hearing Case No. 23403 Legacy Reserves Operating LP - Exhibit D 432-664-8607

John Stewart

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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

Legacy Reserves, Midland Texas

- ➤ Business Development
- » Development Strategy/Planning > Process Improvements
- Multi-Discipline Collaboration

PROFESSIONAL EXPERIENCE

December 2018 – Present

January 2018 – Dec 2018

January 2016 - Jan 2018

Regional Risk Assessment

➤ Exploration & Appraisal

> Divestures & Acquisitions

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

Senior Geologist Permian Basin

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

Charger Shale Exploration, Midland Texas

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.

John Stewart

Tall City Exploration, Midland Texas

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

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

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 Bachelor of Geology	2003

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PAGE 2

January 2014 – Jan 2016

Oil Conservation Division Hearing Case No. 23403 Legacy Reserves Operating LP - Exhibit D

January 2010 - Jan 2014

January 2001 – Jan 2010

Basic Exhibits



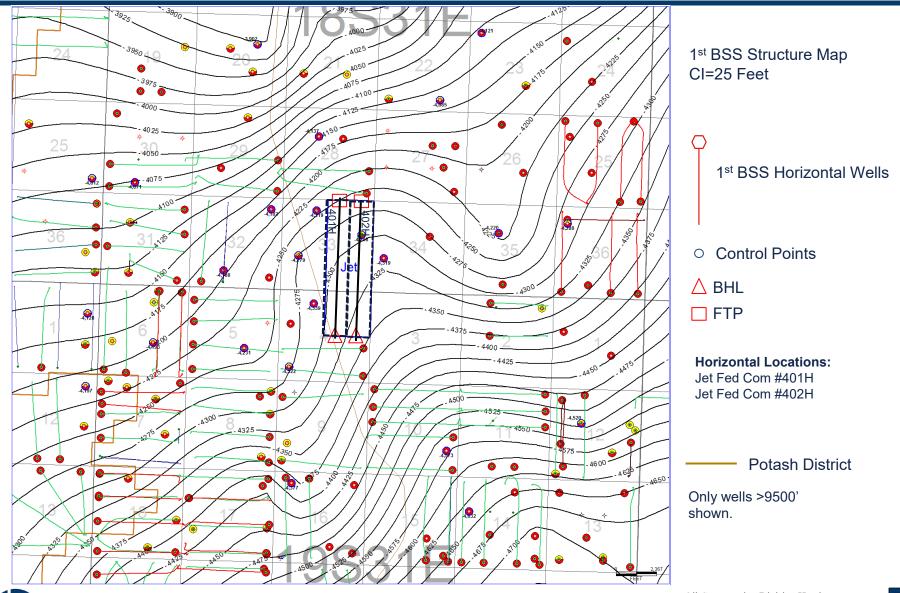
Jet Base Map Exhibit D-1



Legacy Reserves Operating LP - Exhibit D-1



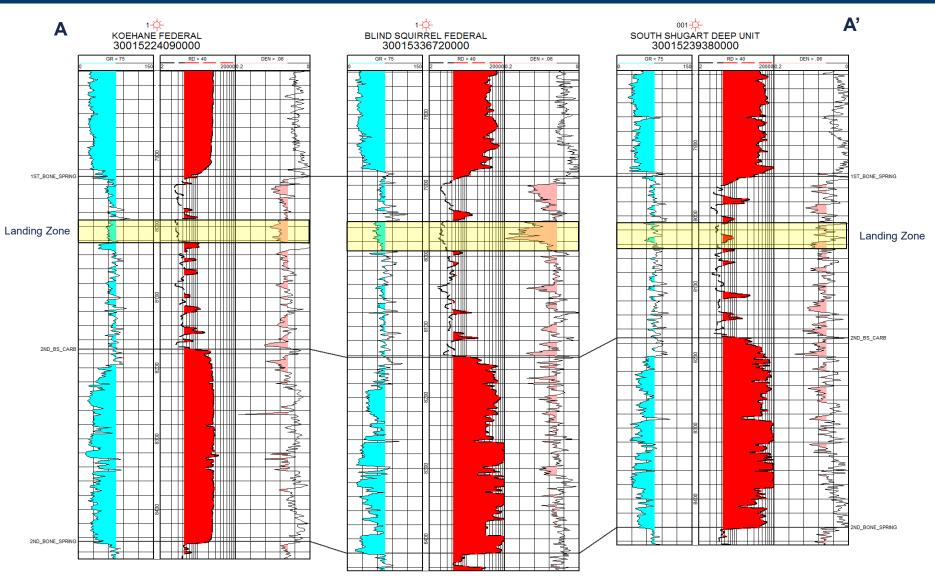
Jet Structure Map Exhibit D-2

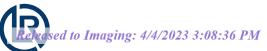


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Oil Conservation Division Hearing Case No. 23403 Legacy Reserves Operating LP - Exhibit D-2

Jet Stratigraphic Cross Section Exhibit D-3





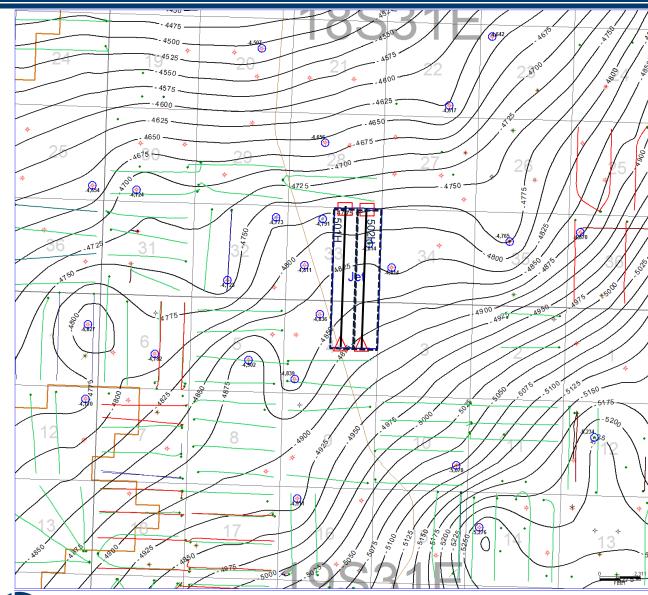
Oil Conservation Division Hearing Case No. 23403 Legacy Reserves Operating LP - Exhibit D-3

Jet Base Map Exhibit D-4



Legacy Reserves Operating LP - Exhibit D-4

Jet Structure Map Exhibit D-5



2nd BSS Structure Map CI=25 Feet



○ Control Points

 \triangle BHL

🗌 FTP

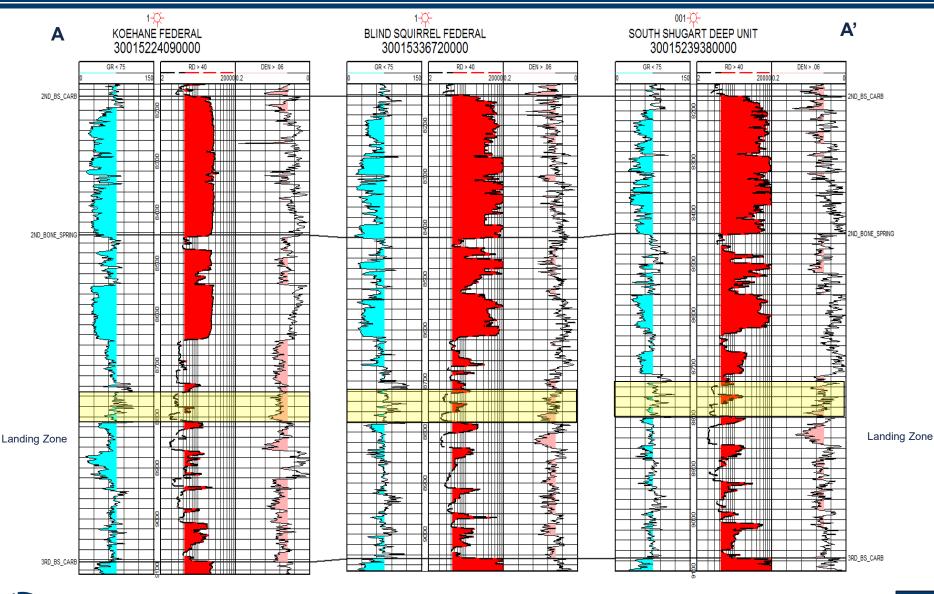
Horizontal Locations: Jet Fed Com #501H Jet Fed Com #502H

Potash District

Only wells >9500' shown.

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Jet Stratigraphic Cross Section Exhibit D-6





Jet Base Map Exhibit D-7



Base Map with Line of Section A - A'

^{3rd BSS Horizontal Wells}



Horizontal Locations: Jet Fed Com #601H Jet Fed Com #602H

Potash District

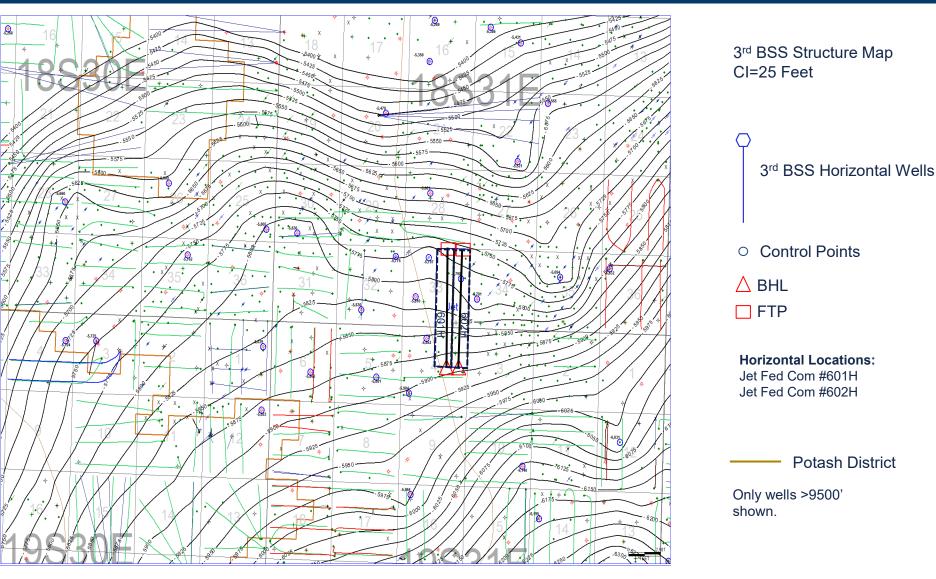
Only wells >9500' shown.





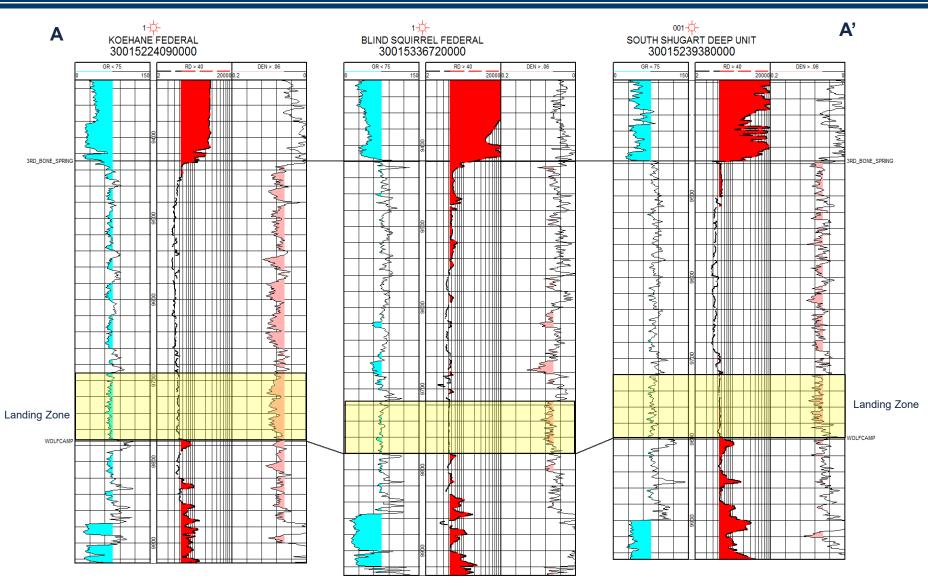


Jet Structure Map Exhibit D-8





Jet Stratigraphic Cross Section Exhibit D-9



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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, COUNTY, EDDY NEW **MEXICO.**

CASE NO. 23403

AFFIDAVIT

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

James P. 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 have been provided under Notice Letters dated March 9, 2023, which the Applicant mailed via U.S. Postal Service Certified Mail. Notice was provided to the interested parties and was delivered on or around March 13, 2023 through March 27, 2023, as shown on certified mail receipts attached as Exhibit E. Notice could not be provided to a number of parties, also shown on Exhibit E.

Applicant also published notice of the Application in the in the Carlsbad Current Argus on

March 15, 2023. Proofs of publication are shown on Exhibit F.

James P. Parro

SUBSCRIBED AND SWORN to before me on April 4, 2023 by James P. Parrot.

My commission expires:

TERESA L. PETERSON NOTARY PUBLIC STATE OF COLORADO NOTARY ID 19894002026 MY COMMISSION EXPIRES OCTOBER 4, 2025

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

JAMES P. PARROT

(303) 407-4458 JPARROT@BWENERGYLAW.COM

March 9, 2023

VIA CERTIFIED MAIL **RETURN RECEIPT REQUESTED**

TO: ALL INTEREST OWNERS SUBJECT TO SPACING AND POOLING PROCEEDING

Application of Legacy Reserves Operating LP for horizontal spacing and compulsory Re: pooling, Eddy County, New Mexico Jet Federal Com 401H, Jet Federal Com 501H, and Jet Federal Com 601H Wells (Case No. 23403)

Dear Interest Owners:

This letter is to advise you that Legacy Reserves Operating LP ("Legacy") has filed the enclosed application, Case No. 23403, with the New Mexico Oil Conservation Division for creating a standard horizontal spacing unit and the compulsory pooling of the Bone Spring formation involving the Jet Federal Com 401H, Jet Federal Com 501H, and Jet Federal Com 601H Wells.

In Case No. 23403, Legacy plans to space and pool the W¹/₂E¹/₂ of Section 4, Township 18 South, Range 31 East, N.M.P.M., and W1/2NE1/4 of Section 4, Township 19 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, a standard unit encompassing 240 acres, more or less, dedicated to the Jet Federal Com 401H, Jet Federal Com 501H, and Jet Federal Com 601H Wells.

A hearing has been requested before a Division Examiner on April 6, 2023, 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/hearinginfo/ 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.

TEXAS

WYOMING

BEATTY & WOZNIAK, P.C.

March 9, 2023 Case No. 23403 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 Taylor Thoreson at (720) 798-2477 or at <u>tthoreson@legacyreserves.com</u>.

Sincerely,

BEATTY & WOZNIAK, P.C.

James P. Parrot

Attorney for Legacy Reserves Operating LP

Beatty & Wozniak, P.C. Energy in the Law[®]

Delivered

BAISH LIMITED PARTNERSHIP

MARY ELIZABETH BAISH-WESTIN BECKY COOPER C/O EDWARDS JONES, ACCT NO 600

REBECCAH R CUTRIGHT

MARY MARIE EAVES

ELYSE S PATTERSON TRUST FARMERS NATIONAL CO, AGENT #61214801 OIL/GSD MANAGEMENT

JOHN MICHAEL FROST

MARIANNE KEOHANE FROST

THERESA ANN FROST

ROBERT WELCH GILLESPIE

JEANETTE Y GLAZE

GRAHAM FAMILY INVESTMENTS LLC

STACY WELCH GREEN

SUZANNE M HARRINGTON

HTI RESOURCES INC

18-31 INC

CLAIRE ANN IVERSON REVOC LIVING TRUST, WENDELL W IVERSON TRUSTEE

IVERSON FAMILY OIL & GAS LLC

IVERSON III INC

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MARY ELLEN JOHNSTON

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KATHERINE MARY SCOTT

SANDRA W SHANK

RALPH A SHUGART TR

JAMES S STROHMEYER

MICHAEL J STROHMEYER

THE TOLES COMPANY LTD

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SJ IVERSON III

MICHAEL R MCGUIRE

PAI INCORPORATED ERIC S STROHMEYER PHOEBE WELCH PHOEBE JANE WELCH IV WENDELL TERRY WELCH

Pending

MARK & NANCY FROST FAMILY TRUST AGREEMENT, MARK FROST & NANCY FROST, TTEE

KATELYN M MEANS

MORGAN F PEARSALL

MAURICE M PIPPIN

JAMES GARY WELCH

MICHAEL IRWIN WELCH

KRISTY STROHMEYER PAULA J STROHMEYER SANDERS THOMAS WELCH







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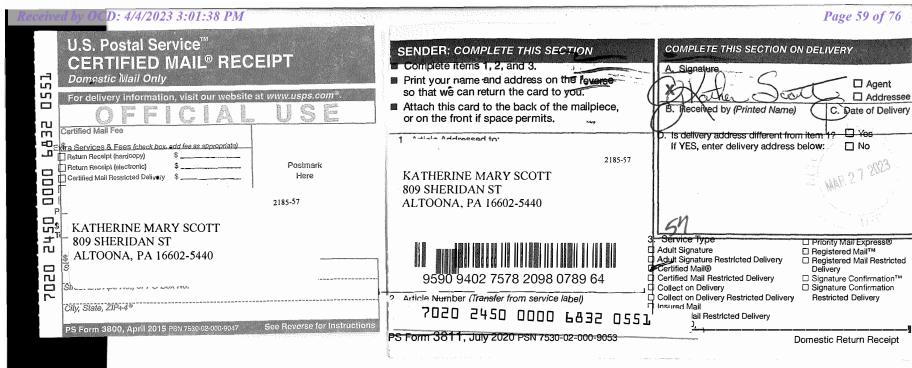


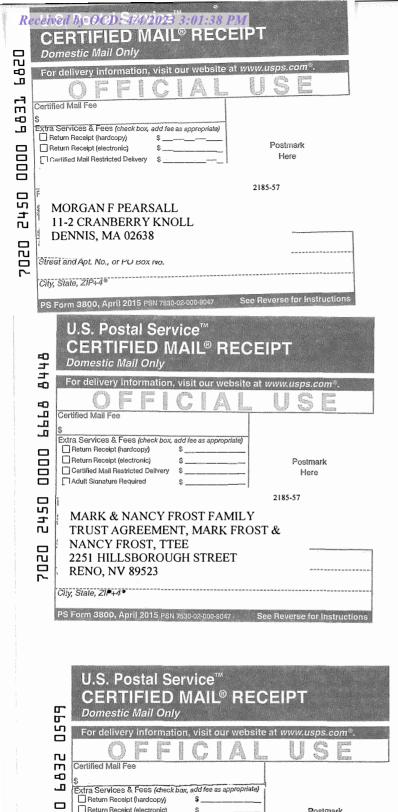




LP - Exhibit E







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Oil Conservation Division Hearing Case No. 23403 Legacy Reserves Operating LP - Exhibit E

Return Receipt (electronic)

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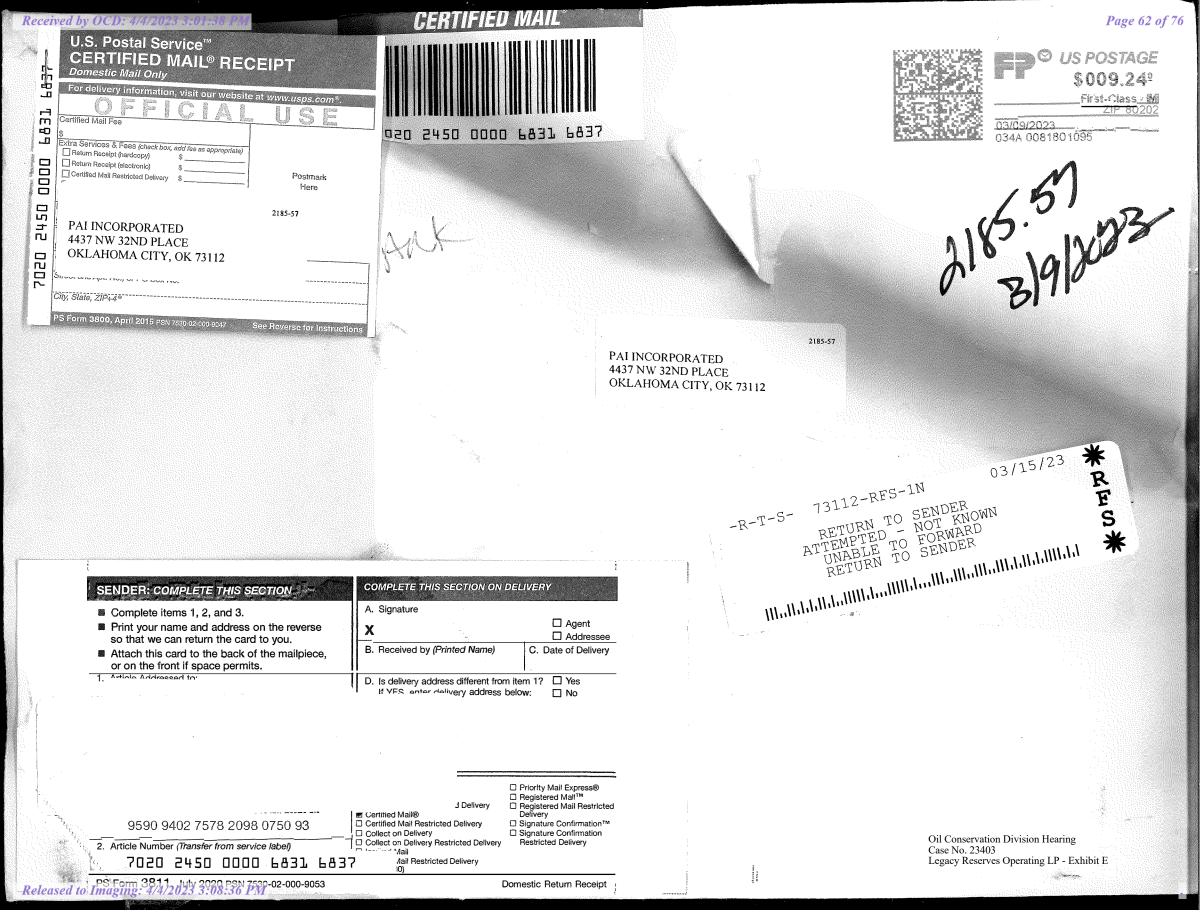
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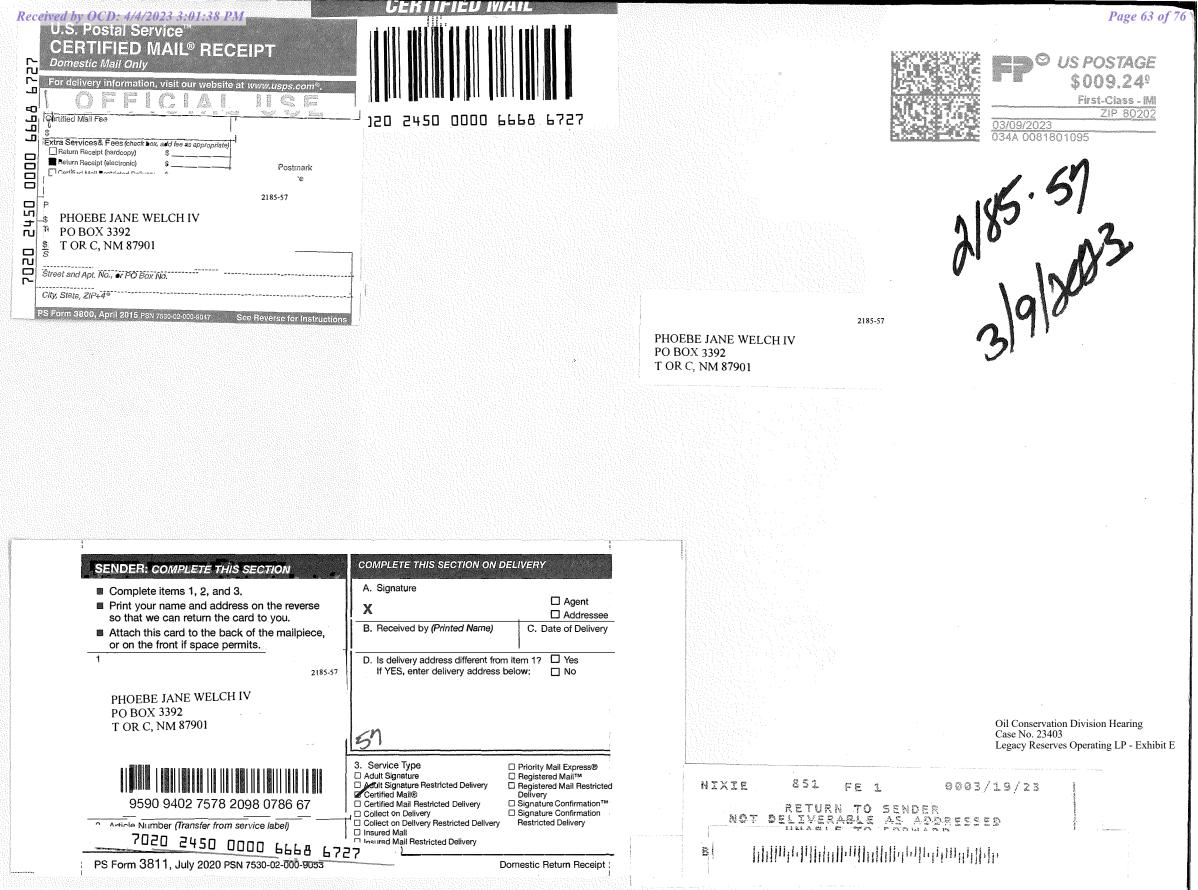
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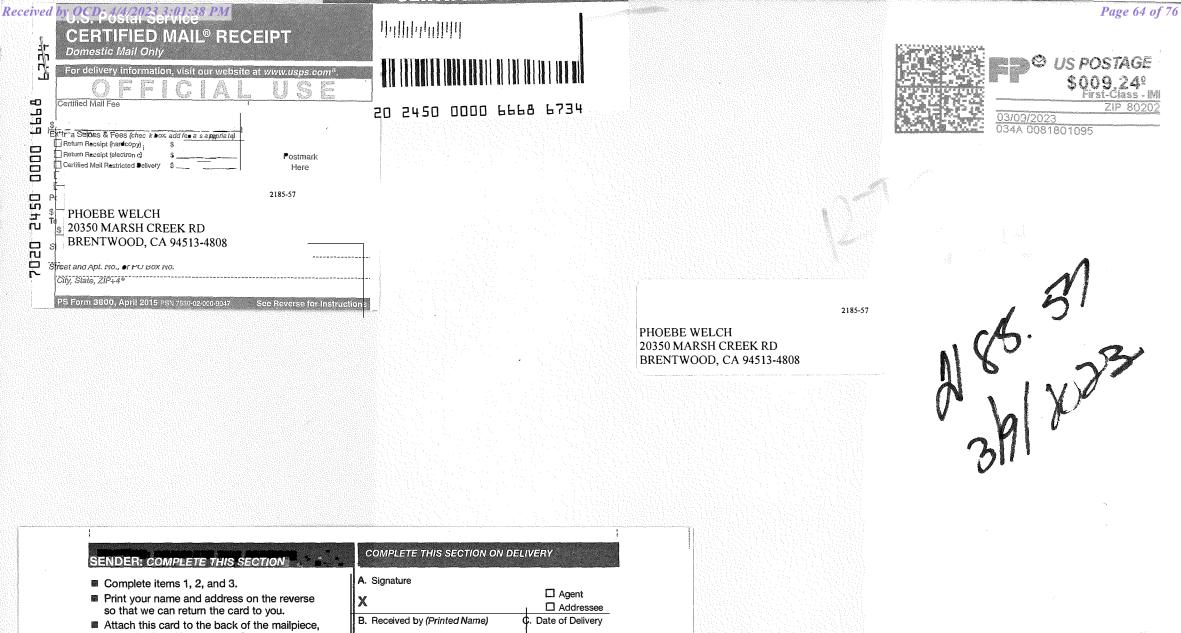
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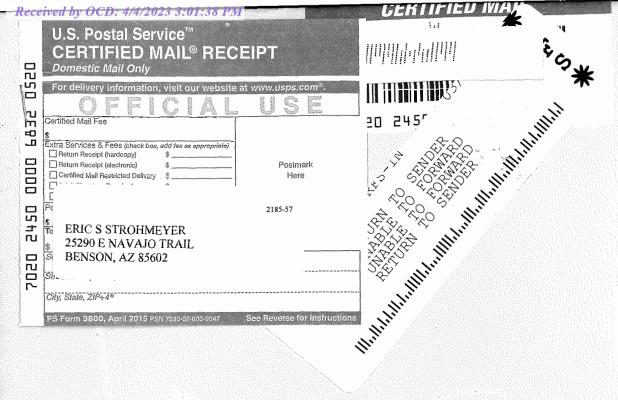


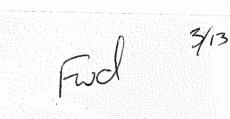




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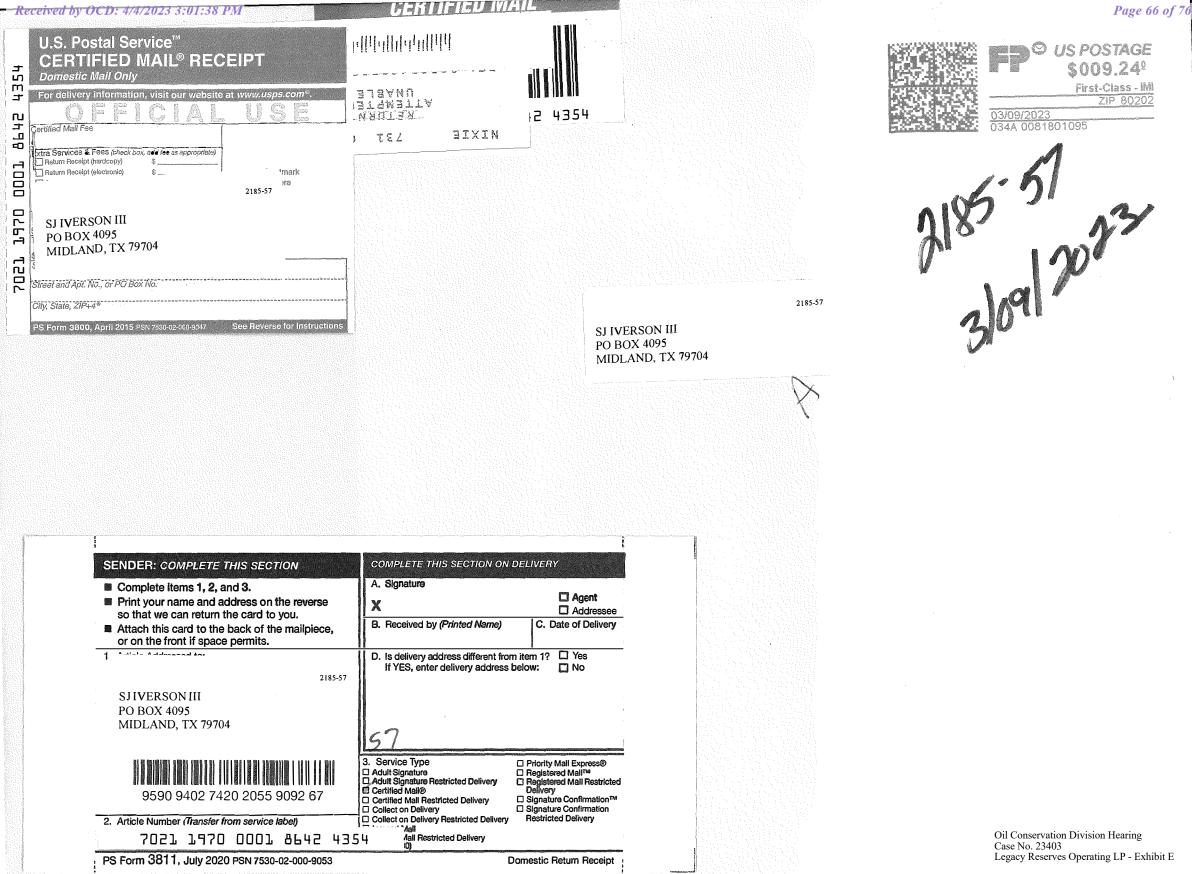
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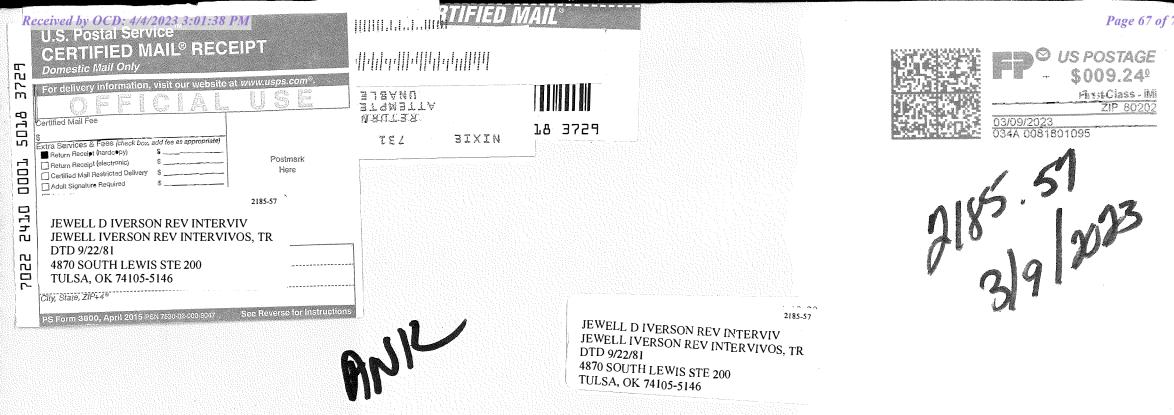
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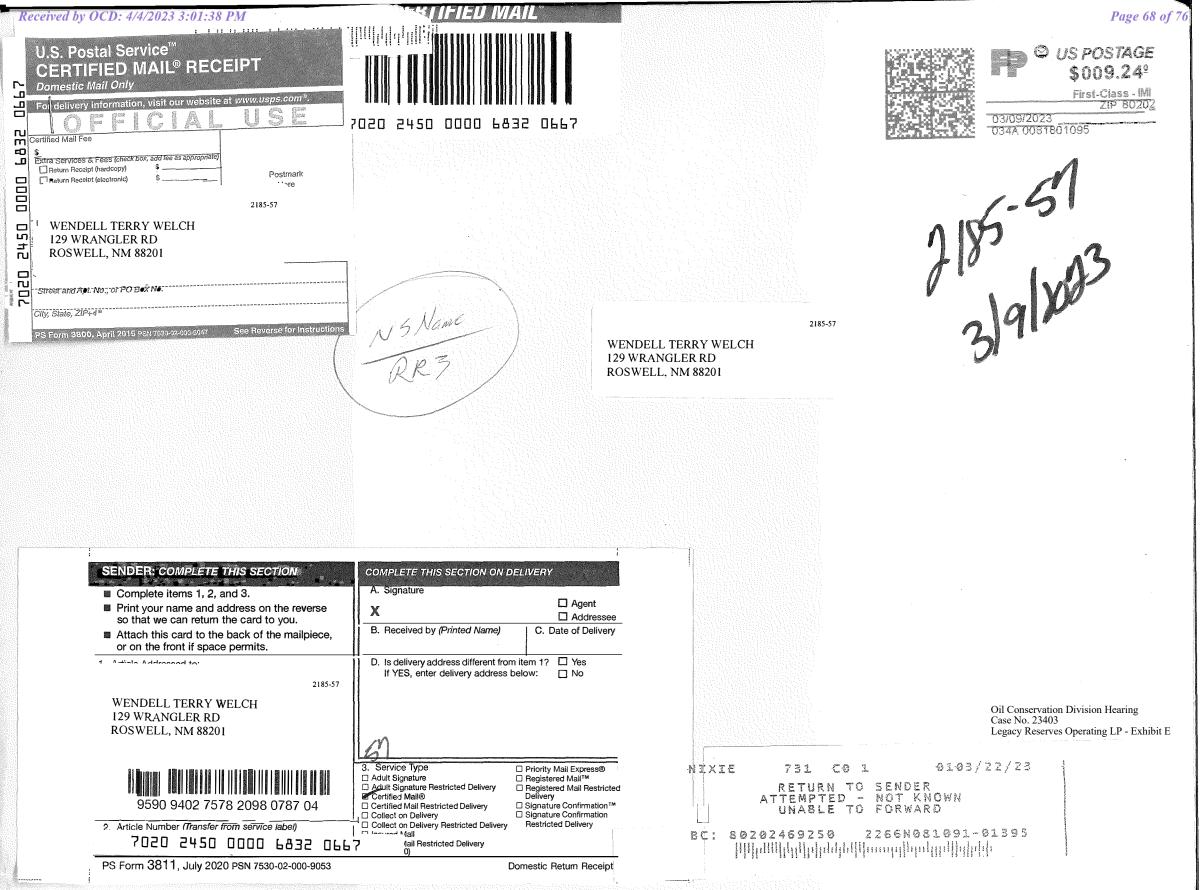
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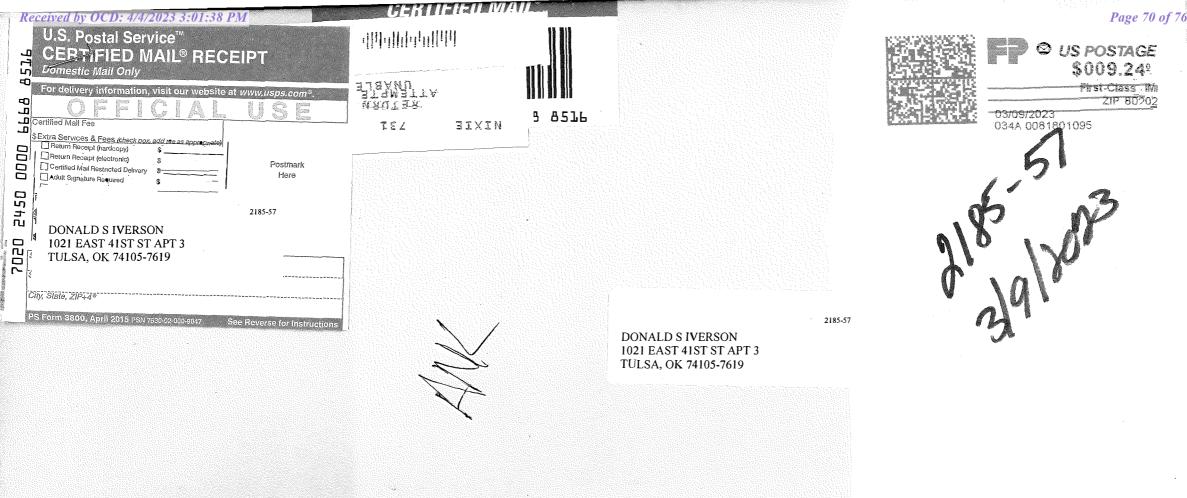
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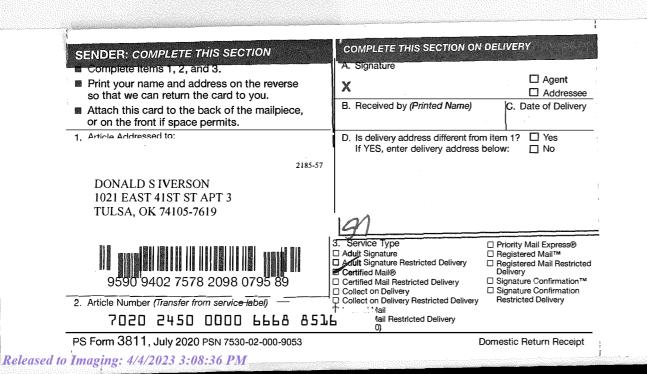
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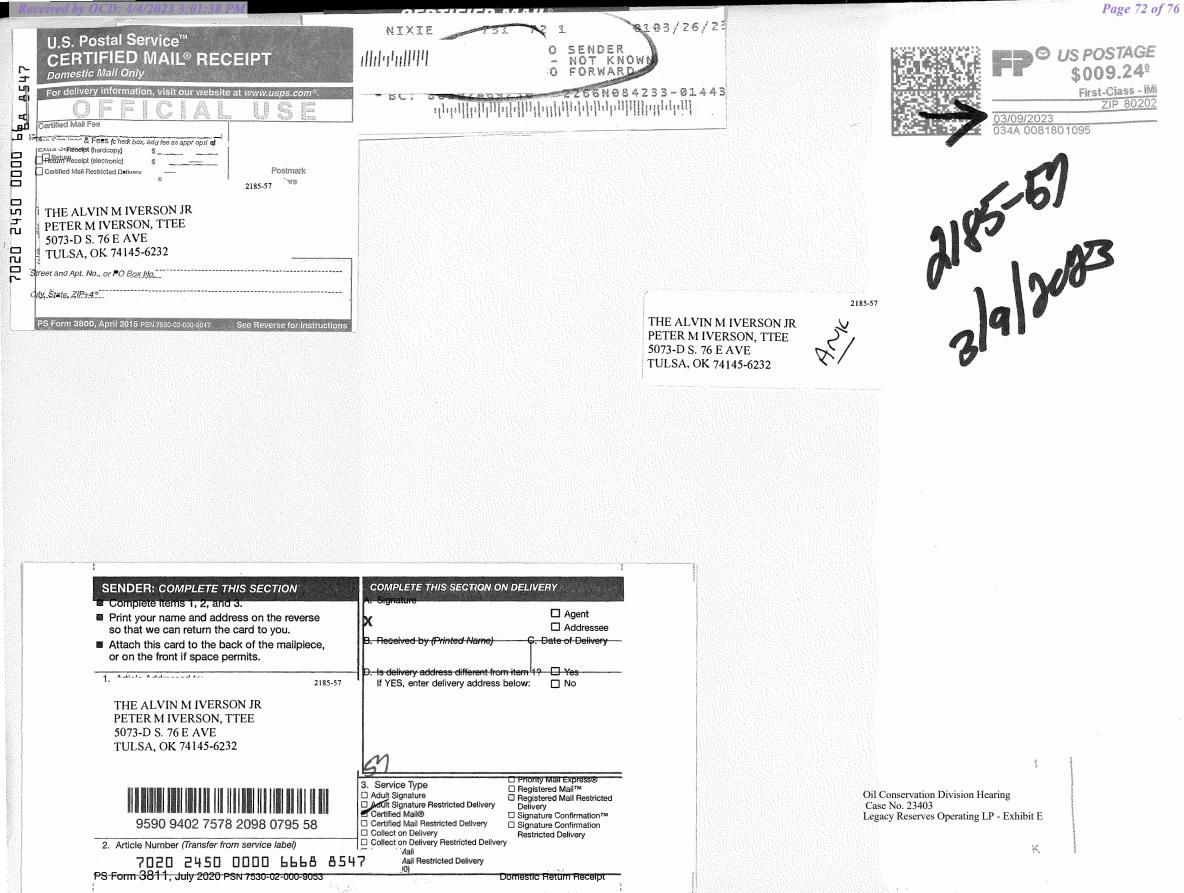
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BEATTY & WOZNIAK, P. C. 216 SIXTEENTH STREET, SUITE 11

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:

03/15/2023

Legal Clerk

Subscribed and sworny before me this March 15, 2023:

lue

State of WI, County of Brown NOTARY PUBLIC

My commission expires

KATHLEEN ALLEN Notary Public State of Wisconsin

Ad # 0005627067 PO #: 23403 # of Affidavits1

This is not an invoice

LEGAL NOTICE March 15, 2023

STATE OF NEW MEXICO ENERGY, MINERALS, AND NATURAL RESOURCES DEPART-MENT 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 case. The hearings will be conducted remotely on Thursday, April 6, 2023, beginning at 8:15 A.M. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <u>http:// www.emnrd.state.nm.us/OCD/he</u> <u>arings-Info/</u> or obtained from Marlene Salvidrez at <u>Marlene.Sal</u> vidrez@state.nm.us_ Documents filed in the case may be viewed at <u>https://ocdimage.emnrd.state.</u> 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 hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than March 27, 2023.

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.)

not so stated.) TO: All overriding royalty interest owners and pooled parties, including Baish Limited Partnership c/o Cavin & Ingram, PA, Mary Elizabeth Baish-Westin, Becky Cooper c/o Edwards Jones, Acct No 600-1436-1-8,Rebeccah R Cutright, Mary Marie Eaves, Elyse S Patterson Trust Farmers National Co, Agent #61214801 Oil/Gsd Msnsgement, John Michael Frost, Marianne Keohane Frost, Mark & Nancy Frost Family Trust Agreement, Mark Frost & Nancy Frost, Ttee, Theresa Ann Frost, Robert Welch Gillespie, Jeanette Y Glaze, Graham Family Investments LLC, Stacy Welch Green, Suzanne M Harrington, HTI Resources Inc, 18-31 Inc, The Alvin M Iverson Jr. Peter M Iverson, Ttee, Claire Iverson, Claire Ann Iverson Revoc Living Trust, Wendell W Iverson Trustee, Donald S Iverson, Iverson Family Oil & Gas LLC, Iverson III Inc, Jewell D Iverson Rev Interviv Jewell Iverson Rev Intervivos, Tr Dtd 9/22/81, Siegfried James Iverson III Rev Lg Trust, Wendell W Iverson Trustee, SJ Iverson III, Mary Ellen Johnston, Michael R Mcguire, Katelyn M Means, PAI Incorporated, Morgan F Pearsall, Marian Welch Pendergrass, The Pip 1990 Trust Wendell W Iverson Trustee, Maurice M Pippin, Tig Properties LP, Becky Rankin, Rojo Inc, Katherine Mary Scott, Sandra W Shank, Ralph A Shugart Tr Elizabeth Duncan Special Ttee, Eric S Strohmeyer, James S Strohmeyer, Kristy Strohmeyer, Michael J Strohmeyer, Paula J Strohmeyer, The Toles Company Ltd, Marjorie Welch Weisner, Bryan W Welch, James Gary Welch, Michael Irwin Welch, Phoebe Welch, Phoebe Jane Welch IV, Sanders Thomas Welch, Estate Of Van Phillip Welch Jr, Van S Welch II, Wendell Terry Welch, George Westall

Welch II, Wendell Terry Welch, George Westall CASE NO: 23403: Application of Legacy Reserves Operating LP for a Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 240-acre, more or less, spacing and proration unit comprised of the W½E½ of Section 33, Township 18 South, Range 31 East, N.M.P.M., and W½NE¼ of Sec-tion 4, Township 19 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Bone Spring formation, designated as an oil pool, underlying said unit. The proposed wells to be dedi-cated to the horizontal spacing unit are the: (1) Jet Federal Com 401H Well, to be horizontally drilled from an approximate sur-face location in the NE¼NE¼ of Section 33, T185-R31E, to a bot-tom hole location in the SW¼NE¼ of Section 4, Township 19 South, Range 31 East, N.M.P.M.; (2) Jet Federal Com 501H Well, to be horizontally drilled from an approximate sur-face location in the NE¼NE¼ of Section 33, T185-R31E, to a bot-tom hole location in the SW¼NE¼ of Section 4, Township 19 South, Range 31 East, N.M.P.M.; and (3) Jet Federal Com 601H Well, to be horizon-tally drilled from an approxi-mate surface location in the SW¼NE¼ of Section 3, T185-R31E, to a bot-tom hole location in the SW¼NE¼ of Section 3, T185-R31E, to a bot-tom hole location in the SW¼NE¼ of Section 3, T185-R31E, to a bot-tom hole location in the SW¼NE¼ of Section 3, T185-R31E, to a bot-tom hole location in the SW¼NE¼ of Section 3, T185-R31E, to a bot-tom hole location in the SW¼NE¼ of Section 3, T185-R31E, to a bot-tom hole location in the SW¼NE¼ of Section 3, T185-R31E, to a bot-tom hole location in the NE¼NE¼ of Section 3, T185-R31E, to a bot-tom hole location in the NE¼NE¼ of Section 3, T185-R31E, to a bot-tom hole location in the NE¼NE¼ of Section 3, T185-R31E, to a bot-township 19 South, Range 31 East, N.M.P.M. The wells are or-thodox in location and the take points and l thodox in location and the take points and laterals comply with Statewide Rules for setbacks; al-so to be considered will be the cost of drilling and completing the wells and the allocation of the cort thereof actual ports the costs thereof; actual operat-ing costs and charges for super-vision; the designation of the

Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 28 miles northeast of Carlsbad, New Mexico. #5627067, Current Argus, March 15, 2023

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