

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

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

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

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

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

Form C-101
Revised November 14, 2012

RECEIVED
AMENDED REPORT
DEC 05 2012
NMOCD ARTESIA

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

| | | |
|---|--|--|
| ¹¹ Operator Name and Address LEGEND NATURAL GAS III LIMITED PARTNERSHIP 15021 KATY FREEWAY, SUITE 200, HOUSTON, TX 77094 | | ¹² OGRID Number 258894 |
| ¹³ Property Name 39571 HIGH BRASS | | ¹⁴ API Number 30-015- 40865 |
| | | ¹⁵ Well No. 2H |

7. Surface Location

| | | | | | | | | | |
|---------------|---------------|------------------|---------------|---------|------------------|---------------|-------------------|---------------|----------------|
| UL - Lot C | Section 20 | Township 24 S | Range 28 E | Lot Idn | Feet from 330 | N/S Line N | Feet From 2308 | E/W Line W | County EDDY |
|---------------|---------------|------------------|---------------|---------|------------------|---------------|-------------------|---------------|----------------|

8. Proposed Bottom Hole Location

| | | | | | | | | | |
|---------------|---------------|------------------|---------------|---------|------------------|---------------|-------------------|---------------|----------------|
| UL - Lot N | Section 20 | Township 24 S | Range 28 E | Lot Idn | Feet from 330 | N/S Line S | Feet From 2256 | E/W Line W | County EDDY |
|---------------|---------------|------------------|---------------|---------|------------------|---------------|-------------------|---------------|----------------|

9. Pool Information

| | | |
|--------------------------|-----------|--------------------|
| WILLOW LAKE; BONE SPRING | Pool Name | Pool Code 64450 |
|--------------------------|-----------|--------------------|

Additional Well Information

| | | | | |
|------------------------------|--|---|---------------------------------|--|
| ¹¹ Work Type N | ¹² Well Type O | ¹³ Cable/Rotary C | ¹⁴ Lease Type FEE | ¹⁵ Ground Level Elevation 3066 |
| ¹⁶ Multiple N | ¹⁷ Proposed Depth 7900 TVD & 12300' MD | ¹⁸ Formation BONE SPRING | ¹⁹ Contractor | ²⁰ Spud Date UPON APPROVAL |
| Depth to Ground water 48' | | Distance from nearest fresh water well 2636' W OF H2O WELL | | Distance to nearest surface water 975' SW OF STOCK POND |

21. Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-----------|-------------|------------------|---------------|-----------------|---------------|
| SURFACE | 17.5 | 13.375 | 48 | 400' TVD | 445 | GL |
| INTERMED. | 12.25 | 9.625 | 36 | 2500' TVD | 655 | GL |
| PRODUCT. | 7.785 | 5.5 | 17 | 7900 & 12300' | 1695 | GL |

Casing/Cement Program: Additional Comments

SET DV TOOL @ 2700' TVD/MD STAGE 1 = 1275 SX & STAGE 2 = 420 SX

22. Proposed Blowout Prevention Program

| | | | |
|------|------------------|---------------|--------------|
| Type | Working Pressure | Test Pressure | Manufacturer |
| | 5000 | 3500 | |

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
I further certify that I have complied with 19.15.14.9 (A) NMAC and/or 19.15.14.9 (B) NMAC , if applicable.
Signature: *Brian Wood*

Printed name: BRIAN WOOD
Title: CONSULTANT
E-mail Address: brian@permitswest.com
Date: 11-26-12 Phone: (505) 466-8120

| | |
|----------------------------------|-----------------------------------|
| OIL CONSERVATION DIVISION | |
| Approved By: <i>J.C. Shepard</i> | |
| Title: <i>Geologist</i> | |
| Approved Date: <i>12/5/2012</i> | Expiration Date: <i>12/5/2014</i> |
| Conditions of Approval Attached | |

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Phone (505) 478-3480 Fax: (505) 478-3482

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

| | | |
|------------------------------------|---|---------------------------------------|
| API Number 30-015- 40865 | Pool Code 64450 | Pool Name WILLOW LAKE; BONE SPRING |
| Property Code 39571 | Property Name HIGH BRASS | Well Number 2H |
| OGRID No. 258894 | Operator Name LEGEND NATURAL GAS III, L.P. | Elevation 3066' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| C | 20 | 24 S | 28 E | | 330 | NORTH | 2308 | WEST | EDDY |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| N | 20 | 24 S | 28 E | | 330 | SOUTH | 2256 | WEST | EDDY |

| | | | |
|------------------------|-----------------|--------------------|-----------|
| Dedicated Acres 160 | Joint or Infill | Consolidation Code | 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

| | | |
|--|---|--|
| | <p>SURFACE LOCATION Lat - N 32°12'34.79" Long - W 104°06'38.95" NMPSPCE- N 440080.782 E 610156.930 (NAD-83)</p> | <p>OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Brian Wood</i> 11-26-12 Signature Date Brian Wood brian@permitswest.com Email Address</p> |
| | <p>PROPOSED BOTTOM HOLE LOCATION Lat - N 32°11'48.72" Long - W 104°06'39.33" NMPSPCE- N 435425.296 E 610134.137 (NAD-83)</p> | <p>SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>NOVEMBER 2012 Date Surveyed Signature & Seal of Professional Surveyor <i>Cory L. Jones</i> Professional Land Surveyor No. 27651 Certificate No. Cory L. Jones 7977</p> <p>BASIN SURVEYS 27651</p> |