

Application of Legacy Reserves Operating LP for a Horizontal Spacing Unit and Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 480-acre, more or less, spacing and proration unit comprised of the E $\frac{1}{2}$ of Section 33, Township 18 South, Range 31 East, N.M.P.M., and NE $\frac{1}{4}$ of Section 4, Township 19 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, and (2) pooling all 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 NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33, T18S-R31E, to a bottom hole location in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 19 South, Range 31 East, N.M.P.M.; (2) Jet Federal Com 402H Well, to be horizontally drilled from an approximate surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33, T18S-R31E, to a bottom hole location in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 19 South, Range 31 East, N.M.P.M.; (3) Jet Federal Com 501H Well, to be horizontally drilled from an approximate surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33, T18S-R31E, to a bottom hole location in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 19 South, Range 31 East, N.M.P.M.; (4) Jet Federal Com 502H Well, to be horizontally drilled from an approximate surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33, T18S-R31E, to a bottom hole location in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 19 South, Range 31 East, N.M.P.M.; (5) Jet Federal Com 601H Well, to be horizontally drilled from an approximate surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33, T18S-R31E, to a bottom hole location in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 19 South, Range 31 East, N.M.P.M.; and (6) Jet Federal Com 602H Well, to be horizontally drilled from an approximate surface location in the NE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 33, T18S-R31E, to a bottom hole location in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 19 South, Range 31 East, N.M.P.M. The wells are orthodox in location and the take points and 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.