

From: Jay Brown <jbrown@cazapetro.com>

To: Clay Roberts <croberts@legacylp.com>; jfitzgerald <jfitzgerald@legacylp.com>

Cc: Randy Nickerson <nickerson@cazapetro.com>; Rich Albro <ralbro@cazapetro.com>; jamesbruc <jamesbruc@aol.com>

Subject: Igloo 19 7H Well, Section 20, T20S-R35E, Lea Co, NM

Date: Thu, Feb 25, 2016 3:42 pm

Clay,

Reference is made to Caza's well proposal of November 5, 2015, for the drilling of the Igloo 19 State/Fed 7H well in Sec 19, T20S-R35E, Lea Co., NM. After Legacy was in receipt of the well proposal, Rich Albro and I had a phone conference with you, Jim Fitzgerald and Randy Hutton of Legacy in which various options for Legacy's participation in the well were discussed. As you are aware, the force pooling hearing regarding this matter is scheduled for next month. As stated in our previous conversation, Caza would prefer to agree on a mutually beneficial solution ahead of the hearing and would welcome further discussions with Legacy to that end.

Accordingly, Caza would be open to discuss any concerns that Legacy may have in order to reach a mutual understanding and, if possible, avoid the hearing. Please give me a call at 832-381-3854.

Thanks, Jay

Jay Brown

Land Manager

Caza Petroleum, Inc.

Direct: 832-381-3854

Main: 281-363-4442 Ext. 1104

Fax: 281-363-4454

Oil Conservation Division

Case No. _____

Exhibit No. 3

Caza
