

Lea Unit

Acreege Contribution:

Lea Unit Acreege - 2,559.68

Federal Acreege - 2,399.68 Acres - 93.75%

State Acreege - 160 Acres - 6.25%

Royalty Calculation:

1. Current Royalty Payments under 5th Revision of Bone Spring Participation Area

Federal - .125

State - 0.00

*There is no Bone Spring production on the state acreage to date and cannot be incorporated in a Bone Spring Participation Area until a well is drilled on the acreage.

2. Once Legacy drills the Lea Unit #59H the unit wide royalty would be paid as follows:

Federal - .125 Royalty X (2,399.68/2,559.68) = **.11718652**

State - .125 Royalty X (160 State Acres / 2,559.68 Lea Unit Acres) = **.00781348**

Lea Unit Ownership:

Legacy Reserves Operating LP/ Jupiter JV LLC - .9131061

Finley Resources - .05053440

HOG Limited Partnership - .01953370

COG - .01682580

