

4/18/2014 DATE IN	SUSPENSE	ENGINEER MAM	4/21/2014 LOGGED IN	NSL TYPE	PMAM1411146073 APP NO.
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**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



EO 12812-2

2014 APR 18 AM 10:26

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

**[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]**  
**[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]**  
**[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]**  
**[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]**  
**[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]**  
**[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]**

**[1] TYPE OF APPLICATION - Check Those Which Apply for [A]**

[A] Location - Spacing Unit - Simultaneous Dedication  
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

— NSL 7103  
— Legend Natural Gas  
— LLC  
— 258894  
— Pandue 29 Federal  
— #5H3P-015-Pending  
— Willow Lake  
— Bone Springs  
— 64450

**[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply**

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners  
[B] ☐ Offset Operators, Leaseholders or Surface Owner  
[C] ☐ Application is One Which Requires Published Legal Notice  
[D] ☒ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,  
[F] ☐ Waivers are Attached

**[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

**[4] CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

JENNIFER ELROD  
Print or Type Name

*Jennifer Elrod*  
Signature

Regulatory Analyst  
Title

04/15/14  
Date

jelrod@lng2.com  
e-mail Address



15021 Katy Freeway  
Suite 200  
Houston, TX 77094  
(281) 644-5900  
Fax: (281) 644-5901

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Fax: (817) 872-7898

April 7, 2014

**New Mexico Oil Conservation Division**  
**1220 S. St. Francis Dr.**  
**Santa Fe, New Mexico 87505**

Re: Legend Natural Gas III, LP, NSL Application  
Pardue 29 Federal Com 5H  
Unit C, Section 29 T-24S, R-28E  
Eddy County, New Mexico

Attn: Mr. Michael McMillan:

Pursuant to Division Rule 19.15.15.13, Legend Natural Gas III, LP respectfully requests administrative approval of a non-standard location (NSL) for the Pardue 29 Federal Com 5H in Eddy County, New Mexico. This application is being sent in regards to the Pardue 29 Federal Com 5H proposed production interval being 192.0' at the first take point and 183.5' at the last take point from the East quarter/quarter line in Section 29, T-24-S, R-28-E in the Willow Lake; Bone Spring pool (64450).

The affected offset wells to the Pardue 29 Federal Com 5H are the Pardue 29 Federal Com 8H and the Pardue Federal Com 4H, all proposed APD's with the Bureau of Land Management. Notification has been send via certified mail to the offset mineral owners as well as working interest owners. Copies of the certified mail receipts are attached.

Approval of this application will allow Legend Natural Gas to recover additional oil and gas reserves from the Willow Lake; Bone Spring pool underlying the middle two quarter sections of Section 29 that may otherwise not be recovered by the other proposed wells, thereby preventing waste and will not violate correlative rights.

If you have any questions please contact I at (817)872-7822 or Mr. John McCauley at (281)644-5972.

Sincerely,

Jennifer Elrod  
Sr. Regulatory Analyst  
Legend Natural Gas III, LP  
777 Main St., Suite 900  
Fort Worth, TX 76102

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
APPLICATION FOR PERMIT TO DRILL OR REENTER

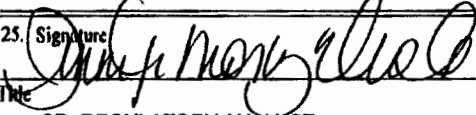
FORM APPROVED  
ONFB No. 1004-0137  
Expires October 31, 2014

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NM 92757 & NM110829
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Legend Natural Gas III, LP		7. If Unit or CA Agreement, Name and No.
3a. Address 15021 KATY FREEWAY, STE. 200 HOUSTON, TX 77094	3b. Phone No. (include area code) 817-872-7822	8. Lease Name and Well No. PARDUE 29 FEDERAL COM 5H
4. Location of Well (Report location clearly and in accordance with any State requirements*) At surface 45 FNL AND 1320 FWL At proposed prod. zone BOTTOM HOLE - 331.2 FSL & 1509.8 FWL		9. API Well No. 30-015-
14. Distance in miles and direction from nearest town or post office* APPROX 5.0 MILES WEST/SOUTHWEST OF MALAGA, NM		10. Field and Pool, or Exploratory Willow Lake; Bone Spring (64450)
15. Distance from proposed* 45' location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease NM92757-1081.18 NM110829- 560.0	11. Sec., T. R. M. or Blk. and Survey or Area Section 29; T-24S; R-28E
18. Distance from proposed location* to nearest well, drilling, completed, SURFACE-30' SUB-SURFACE applied for, on this lease, R. PARDUE 29 #2 - 135' (VERT) PARDUE Fed Com UH-1130' (H2N2)	19. Proposed Depth 12704' MD; 7982' TVD	12. County or Parish Eddy
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3047'	22. Approximate date work will start* 04/01/2014	13. State NM
20. BLM/BIA Bond No. on file NMB000525		17. Spacing Unit dedicated to this well 160 Acres
23. Estimated duration 2 MONTHS		

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature 	Name (Printed/Typed) JENNIFER MOSLEY ELROD	Date 02/06/2014
Title SR. REGULATORY ANALYST		
Approved by (Signature)	Name (Printed/Typed)	Date
Title	Office	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

\*(Instructions on page 2)

**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**  
1320 S. St. 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, New Mexico 87505

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

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-015</b>	Pool Code <b>W4450</b>	Pool Name <b>Willow Lake; Bone Spring</b>
Property Code	Property Name <b>PARDUE 29 FEDERAL COM</b>	Well Number <b>5H</b>
OGRID No. <b>258894</b>	Operator Name <b>LEGEND NATURAL GAS III, LP</b>	Elevation <b>3048'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	29	24-S	28-E		45	NORTH	1307	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	29	24-S	28-E		331.2	SOUTH	1509.8	WEST	EDDY

Dedicated Acres <b>160</b>	Joint or Infill	Consolidation Code	Order No.
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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>Diagram showing well location and acreage dedication plat. Key features include: GRID AZ = 145°01'51", HORIZ. DIST. = 355.4', PROPOSED WELL PATH, PRODUCING AREA, PROJECT AREA, and various corner coordinates.</p>	<p><b>GEODETIC COORDINATES</b> NAD 83 NME SURFACE LOCATION Y=435047.6 N X=609187.4 E LAT.=32.195833° N LONG.=104.113987° W</p> <p><b>FIRST TAKE POINT</b> Y=434756.4 N X=609391.1 E LAT.=32.195031° N LONG.=104.113330° W</p>	<p><b>GEODETIC COORDINATES</b> NAD 27 NME SURFACE LOCATION Y=434989.3 N X=568004.0 E LAT.=32.195711° N LONG.=104.113494° W</p> <p><b>FIRST TAKE POINT</b> Y=434698.2 N X=568207.7 E LAT.=32.194910° N LONG.=104.112837° W</p>	<p><b>OPERATOR CERTIFICATION</b> I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <i>Jennifer Elrod</i> Date: <i>6/9/14</i> Printed Name: <i>Jennifer Elrod</i> E-mail Address: <i>jelrod@lng2.com</i></p>
	<p><b>CORNER COORDINATES TABLE</b> NAD 27</p> <p>A - Y=435034.3 N, X=568014.8 E B - Y=435027.6 N, X=569332.2 E C - Y=429678.4 N, X=569357.8 E D - Y=429680.3 N, X=568031.2 E</p>		
	<p><b>NAD 83</b></p> <p>A - Y=435092.6 N, X=609198.2 E B - Y=435085.9 N, X=610515.6 E C - Y=429736.6 N, X=610541.3 E D - Y=429738.4 N, X=609214.7 E</p>		
	<p><b>GEODETIC COORDINATES</b> NAD 83 NME LAST TAKE POINT Y=430123.3 N X=609397.0 E LAT.=32.182295° N LONG.=104.113342° W</p> <p><b>BOTTOM HOLE LOCATION</b> Y=430069.3 N X=609397.0 E LAT.=32.182147° N LONG.=104.113342° W</p>	<p><b>GEODETIC COORDINATES</b> NAD 27 NME LAST TAKE POINT Y=430065.1 N X=568213.5 E LAT.=32.182174° N LONG.=104.112849° W</p> <p><b>BOTTOM HOLE LOCATION</b> Y=430011.1 N X=568213.5 E LAT.=32.182025° N LONG.=104.112849° W</p>	
<p><b>SURVEYOR CERTIFICATION</b> 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>MAY 20, 2014</p> <p>Date of Survey Signature &amp; Seal of Professional Surveyor: <i>Ronald J. Eidson</i> Certificate Number: <i>3239</i> (Ronald J. Eidson) ACK REL. W.O. 14190258 JWSC W.O. 1411 0548</p>			



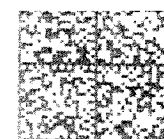


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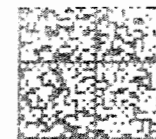
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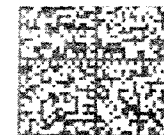
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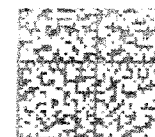
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