

10/5/2016 DATE IN	SUSPENSE	ENGINEER LRL	10/5/2016 LOGGED IN	TYPE NSL	APP NO. PKSC1627946993
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION  
- Engineering Bureau -  
1220 South St. Francis Drive, Santa Fe, NM 87505



## 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 \_\_\_\_\_

### [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.

Clay Roberts

*CH Roberts*

Landman

10/4/2016

Print or Type Name

Signature

Title

Date

croberts@legacylp.com  
e-mail Address

## **Lowe, Leonard, EMNRD**

---

**From:** Clay Roberts <croberts@legacylp.com>  
**Sent:** Tuesday, October 11, 2016 7:23 AM  
**To:** Lowe, Leonard, EMNRD  
**Subject:** RE: LEAGACY RESERVES | NSL APPLICATION | LEA UNIT 59H

Leonard,

Sorry for the delayed response in regard to the final proposed take point for Legacy's Lea Unit 59H. My engineer was out of town late last week, but I was able to catch up with him yesterday afternoon.

Legacy's proposed final take point will be 330' FNL and 330" FWL of Section 18-20S-34E. Please let me know if you need anything else in regard to the application.

### **Clay Roberts**

Landman

Email: [croberts@legacylp.com](mailto:croberts@legacylp.com)

Phone: 432-689-5206



---

**From:** Lowe, Leonard, EMNRD [mailto:[Leonard.Lowe@state.nm.us](mailto:Leonard.Lowe@state.nm.us)]  
**Sent:** Wednesday, October 05, 2016 11:19 AM  
**To:** Clay Roberts  
**Subject:** RE: LEAGACY RESERVES | NSL APPLICATION

Clay Roberts,

After initial review of your application.

What is the OGRID for Legacy Reserves Operating LLC?

What pool are you seeking for this NSL request? The pool code as well, this should be located on the C-102.

Let me know.

### **Leonard Lowe**

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

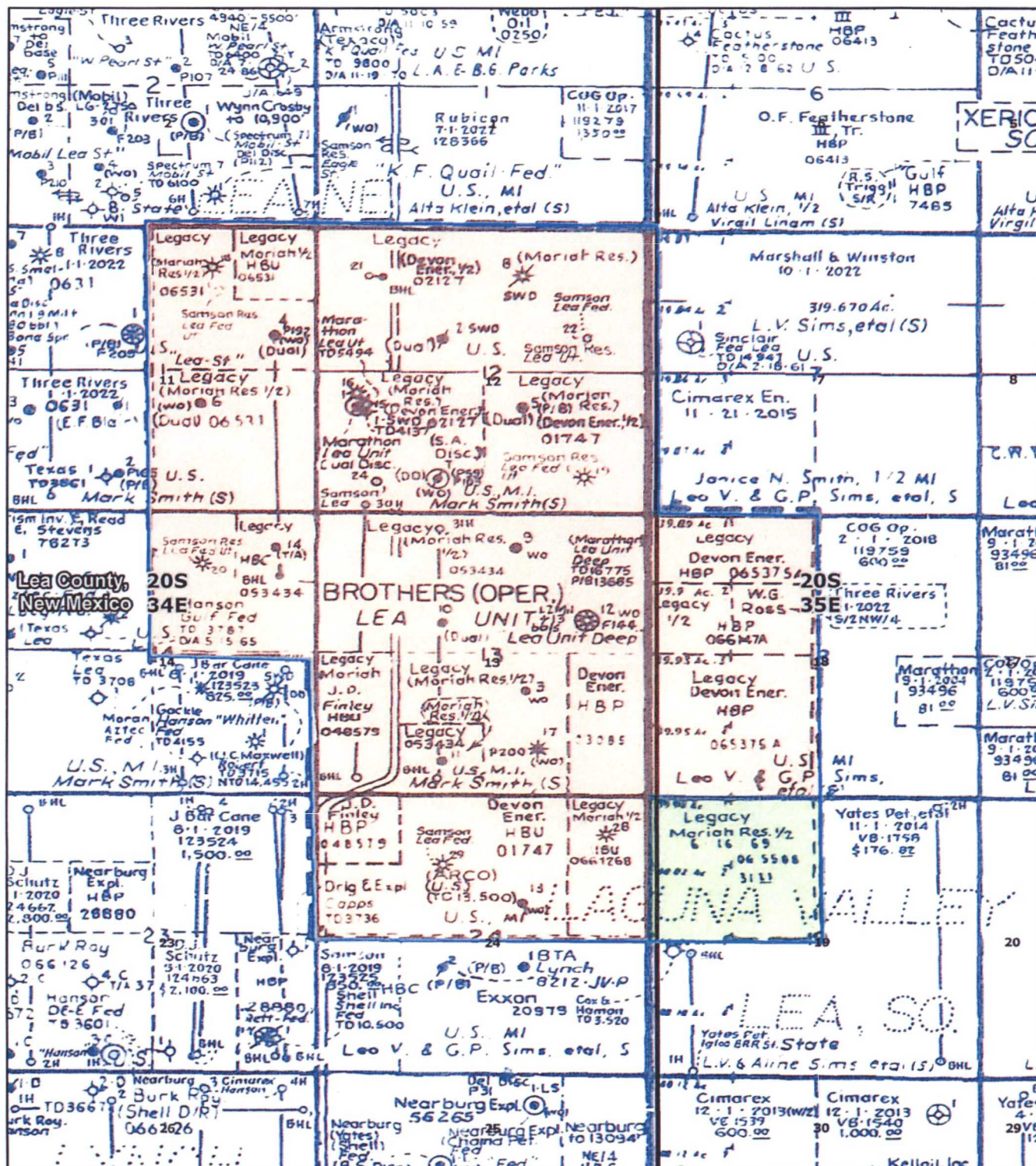
Office: 505-476-3492

Cell: 505-930-6717

# CERTIFIED MAILING LIST

Party	Address	City	State	Zip	CERTIFIED MAILER
COG Operating LLC	600 W. Illinois Ave.	Midland	TX	79701	7015-3010-0000-2971-3713
James D. Finley	1308 Lake St. # 200	Fort Worth	TX	76102	7015-3010-0000-2971-3714 <sup>4 CR</sup>
HOG Partnership LP	5950 Cedar Spring Road, Suite 242	Dallas	TX	75235-6803	7015-3010-0000-2971-3751
Jupiter JV LLC	301 Commerce Street	Fort Worth	TX	76102	7015-3010-0000-2971-3720
Jupiter JV LLC	345 Callifornia Street, Suite 3300	San Francisco	CA	94104	7015-3010-0000-2971-3737
BLM - Carlsbad Field Office	620 E. Greene St.	Carlsbad	NM	88220	7015-3010-0000-2971-3768
NM State Land Office	PO Box 1148	Santa Fe	NM	87504	7015-3010-0000-2971-3775

to Legacy Reserves Operating LP's Application for Non-Standard Location dated August 16, 2016



### Legend

 LEA UNIT

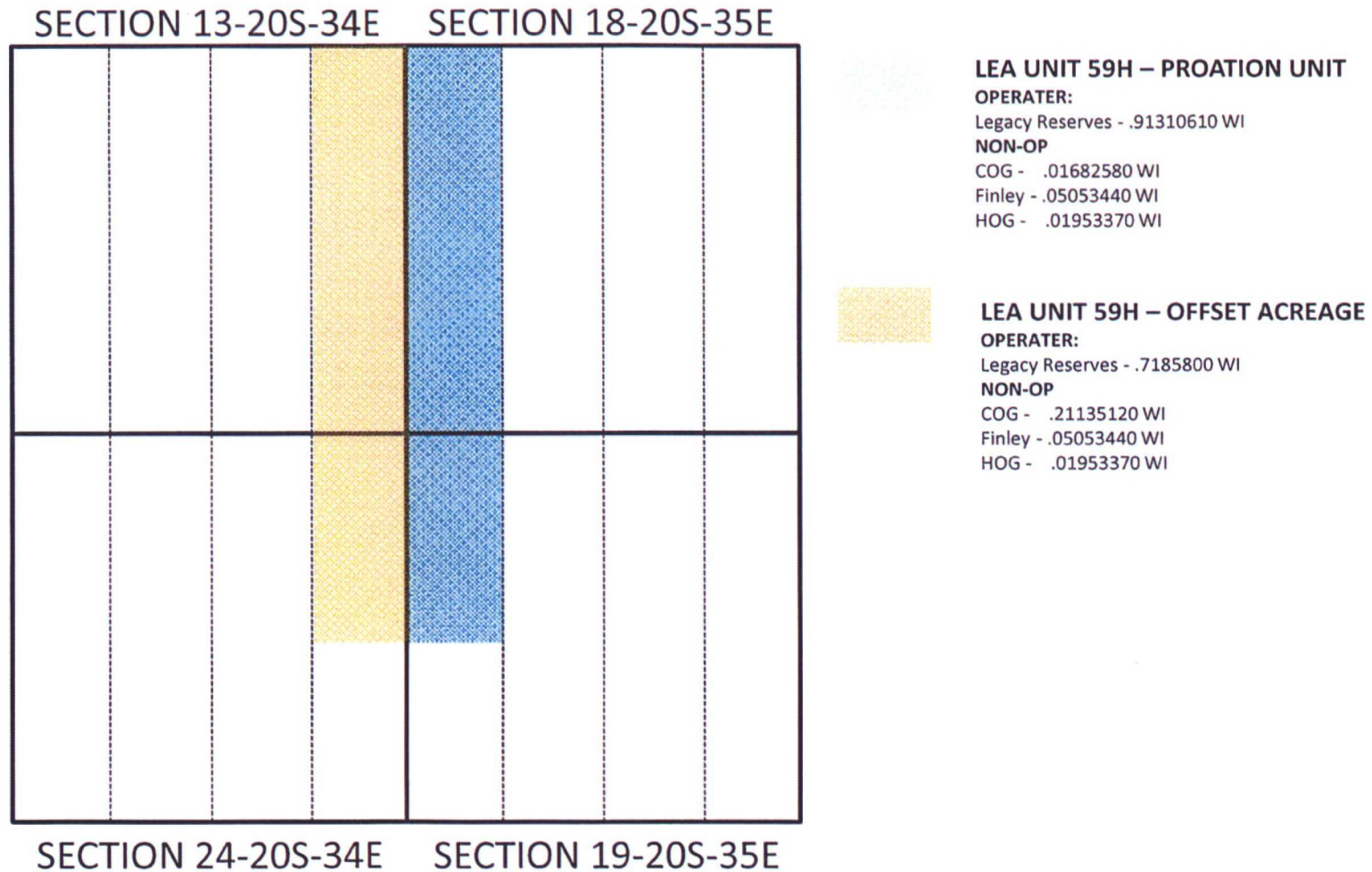
FEDERAL MINERALS

## STATE MINERALS



## Exhibit "B"

To Legacy Reserves Operating LP's Application for Non-Standard Location dated August 16, 2016



DISTRICT I  
1825 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 Rd., Aztec, NM 87410  
Phone: (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 478-3480 Fax: (505) 478-3482

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Frances Dr.  
Santa Fe, NM 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	37570	Pool Code	Lea: Bone Spring	Pool Name
Property Code	Property Name LEA UNIT			Well Number 59H
GRID No. 240974	Operator Name LEGACY RESERVES OPERATING LP			Elevation 3676'

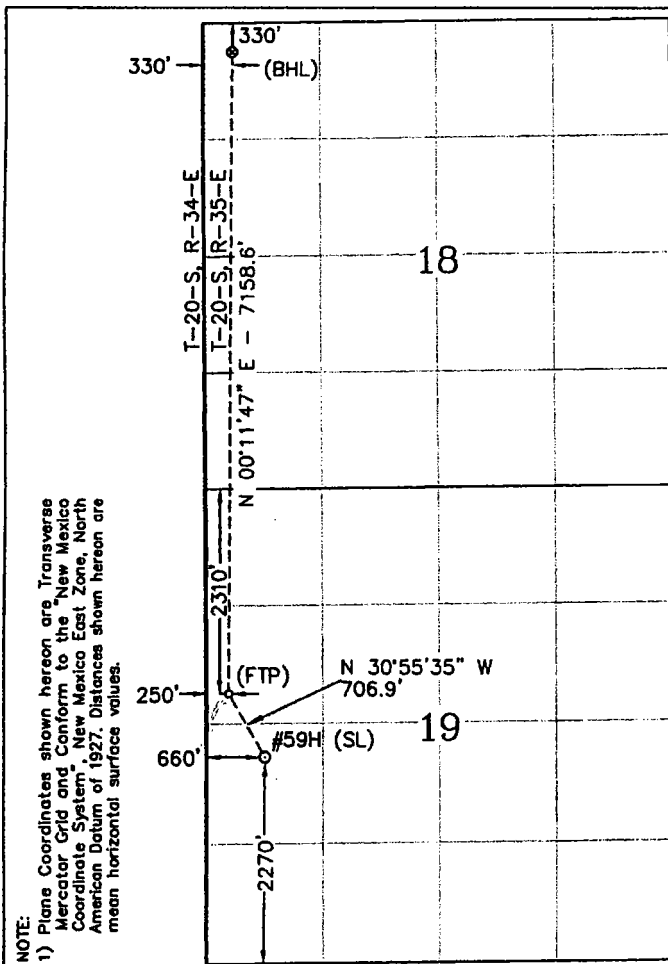
**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	19	20 S	35 E		2270	SOUTH	660	WEST	LEA

**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
D	18	20 S	35 E		330	NORTH	330	WEST	LEA
Dedicated Acres	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



Plane Coordinate (BHL)  
X = 755,584.9  
Y = 575,472.7

Plane Coordinate (FTP)  
X = 755,560.1  
Y = 568,215.6

Plane Coordinate (SL)  
X = 755,974.7  
Y = 567,523.6

Scale  
1" = 2000'

**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.

Signature

Date

Printed Name

E-mail Address

**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.

September 26, 2016

Date of Survey

Signature & Seal of Surveyor

W.O. Number

Certificate No. 23263

MMCMILLAN (PETROLEUM ENGINEER FOR OCD) SIGN OUT HELP

[Wells](#)
[Operator Data](#)
[OCD Review](#)
[OCD Only](#)
[Administration](#)
**OCD Permitting**
[Home](#)
[Land Searches](#)
[Land Details](#)
**Section : 18-20S-35E**

Type: Normal

Total Acres: 639.68

County: Lea (25)

159.68

<b>D (1)</b> Federal <sup>1</sup> Federal <sup>2</sup> (25) 39.89	<b>C (C)</b> Fee <sup>1</sup> Federal <sup>2</sup> (25) 40	<b>B (B)</b> Fee <sup>1</sup> Federal <sup>2</sup> (25) 40	<b>A (A)</b> Fee <sup>1</sup> Federal <sup>2</sup> (25) 40
<b>E (2)</b> Federal <sup>1</sup> Federal <sup>2</sup> (25) 39.91	<b>F (F)</b> Fee <sup>1</sup> Federal <sup>2</sup> (25) 40	<b>G (G)</b> Fee <sup>1</sup> Federal <sup>2</sup> (25) 40	<b>H (H)</b> Fee <sup>1</sup> Federal <sup>2</sup> (25) 40
<b>L (3)</b> Federal <sup>1</sup> Federal <sup>2</sup> (25) 39.93	<b>K (K)</b> Fee <sup>1</sup> Federal <sup>2</sup> (25) 40	<b>J (J)</b> Fee <sup>1</sup> Federal <sup>2</sup> (25) 40	<b>I (I)</b> Fee <sup>1</sup> Federal <sup>2</sup> (25) 40
<b>M (4)</b> Federal <sup>1</sup> Federal <sup>2</sup> (25) 39.95	<b>N (N)</b> Fee <sup>1</sup> Federal <sup>2</sup> (25) 40	<b>O (O)</b> Fee <sup>1</sup> Federal <sup>2</sup> (25) 40	<b>P (P)</b> Fee <sup>1</sup> Federal <sup>2</sup> (25) 40

Note <sup>1</sup> = Surface Owner RightsNote <sup>2</sup> = Sub-Surface Mineral Rights**Land Restrictions**

No land restrictions found for this section.

[Return to Search](#)

New Mexico Energy, Minerals and Natural Resources Department | Copyright 2012  
 1220 South St. Francis Drive | Santa Fe, NM 87505 | P: (505) 476-3200 | F: (505) 476-3220

[EMNRD Home](#)
[OCD Main Page](#)
[OCD Rules](#)
[Help](#)

MMCMILLAN (PETROLEUM ENGINEER FOR OCD) SIGN OUT HELP

Wells Operator Data **OCD Review** **OCD Only** Administration**OCD Permitting**

Home Land Searches Land Details

**Section : 19-20S-35E**

Type: Normal

Total Acres: 640.16

County: Lea (25)

*Handwritten: 19-20S-35E*

D (1) R *	C (C) R *	B (B) R *	A (A) R *
Fee <sup>1</sup>	Fee <sup>1</sup>	Fee <sup>1</sup>	Fee <sup>1</sup>
State <sup>2</sup>	State <sup>2</sup>	State <sup>2</sup>	State <sup>2</sup>
(25) 39.98	(25) 40	(25) 40	(25) 40
E (2) R *	F (F) R *	G (G) R *	H (H) R *
Fee <sup>1</sup>	Fee <sup>1</sup>	Fee <sup>1</sup>	Fee <sup>1</sup>
State <sup>2</sup>	State <sup>2</sup>	State <sup>2</sup>	State <sup>2</sup>
(25) 40.02	(25) 40	(25) 40	(25) 40
L (3) R *	K (K) R *	J (J) R *	I (I) R *
Fee <sup>1</sup>	Fee <sup>1</sup>	Fee <sup>1</sup>	Fee <sup>1</sup>
State <sup>2</sup>	State <sup>2</sup>	State <sup>2</sup>	State <sup>2</sup>
(25) 40.06	(25) 40	(25) 40	(25) 40
M (4) R *	N (N) R *	O (O) R *	P (P) R *
Fee <sup>1</sup>	Fee <sup>1</sup>	Fee <sup>1</sup>	Fee <sup>1</sup>
State <sup>2</sup>	State <sup>2</sup>	State <sup>2</sup>	State <sup>2</sup>
(25) 40.1	(25) 40	(25) 40	(25) 40

Note \* = Restriction Code(s)

Note <sup>1</sup> = Surface Owner RightsNote <sup>2</sup> = Sub-Surface Mineral Rights**Land Restrictions**

19-20S-35E A (A)	CCA - Subject to 3/2012 Conservation Agreement
19-20S-35E B (B)	CCA - Subject to 3/2012 Conservation Agreement
19-20S-35E C (C)	CCA - Subject to 3/2012 Conservation Agreement
19-20S-35E D (1)	CCA - Subject to 3/2012 Conservation Agreement
19-20S-35E E (2)	CCA - Subject to 3/2012 Conservation Agreement
19-20S-35E F (F)	CCA - Subject to 3/2012 Conservation Agreement
19-20S-35E G (G)	CCA - Subject to 3/2012 Conservation Agreement
19-20S-35E H (H)	CCA - Subject to 3/2012 Conservation Agreement
19-20S-35E I (I)	CCA - Subject to 3/2012 Conservation Agreement
19-20S-35E J (J)	CCA - Subject to 3/2012 Conservation Agreement
19-20S-35E K (K)	CCA - Subject to 3/2012 Conservation Agreement
19-20S-35E L (3)	CCA - Subject to 3/2012 Conservation Agreement
19-20S-35E M (4)	CCA - Subject to 3/2012 Conservation Agreement





**September 27, 2016**

COG Operating LLC  
Mollie McAuliffe  
600 W. Illinois Ave.  
Midland, TX 79701

**RE: Notification of Application for Non-Standard Location  
Lea Unit #59H, W/2 18-20S-35E & W/2NW/4 19/20S-35E, Lea County, NM**

COG Operating LLC,

This letter is to serve notice that Legacy Reserves Operating LP ("Legacy") is filing an application for a non-standard location with the New Mexico Oil Conservation Division ("NMOCD") seeking administrative approval for Legacy to drill and complete portions of the Lea Unit #59H within 330' of the west line of Sections 18 and 19, Township 20 South, Range 35 East.

Any objections regarding this application should be submitted to the NMOCD Santa Fe Office within twenty days of the date of this letter.

Please contact the undersigned at 432-689-5200 should you have any questions.

Sincerely,

Clay Roberts  
Landman

**CERTIFIED MAILER: 7015-3010-0000-2971-3713**

**Legacy Reserves**

303 West Wall, Suite 1800 • Midland, Texas 79701 • P. O. Box 10848 • Midland, Texas 79702  
OFFICE 432-689-5200 • FAX 432-221-6399



September 27, 2016

COG Operating LLC  
Mollie McAuliffe  
600 W. Illinois Ave.  
Midland, TX 79701

**RE: Non-Standard Location Waiver**  
**Lea Unit 59H, W/2W/2 Section 18-20S-35E & W/2NW/4 Section 19-20S-35E**

To whom it may concern,

Legacy Reserves Operating LP requests a waiver of objection to the attached New Mexico Oil Conservation Division application for a non-standard location. Legacy has discovered a fault that runs north/south through the proration unit of this well. Legacy would like to keep the wellbore a reasonable distance west of the fault, which would cause portions of the wellbore to be completed as near as 200' FWL of Section 18 and 19-20S-35E.

The acreage offsetting this wellbore to the west is located within the Lea Unit boundaries.

Attached are the following:

- Legacy's application for non-standard location
- Map identifying the fault

Sincerely,

Clay Roberts  
Landman

**OBJECTION TO LEGACY RESERVES OPERATING LP'S NON-STANDARD LOCATION APPLICATION IS  
WAIVED IS HEREBY WAIVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 2016.**

**COG Operating LLC**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

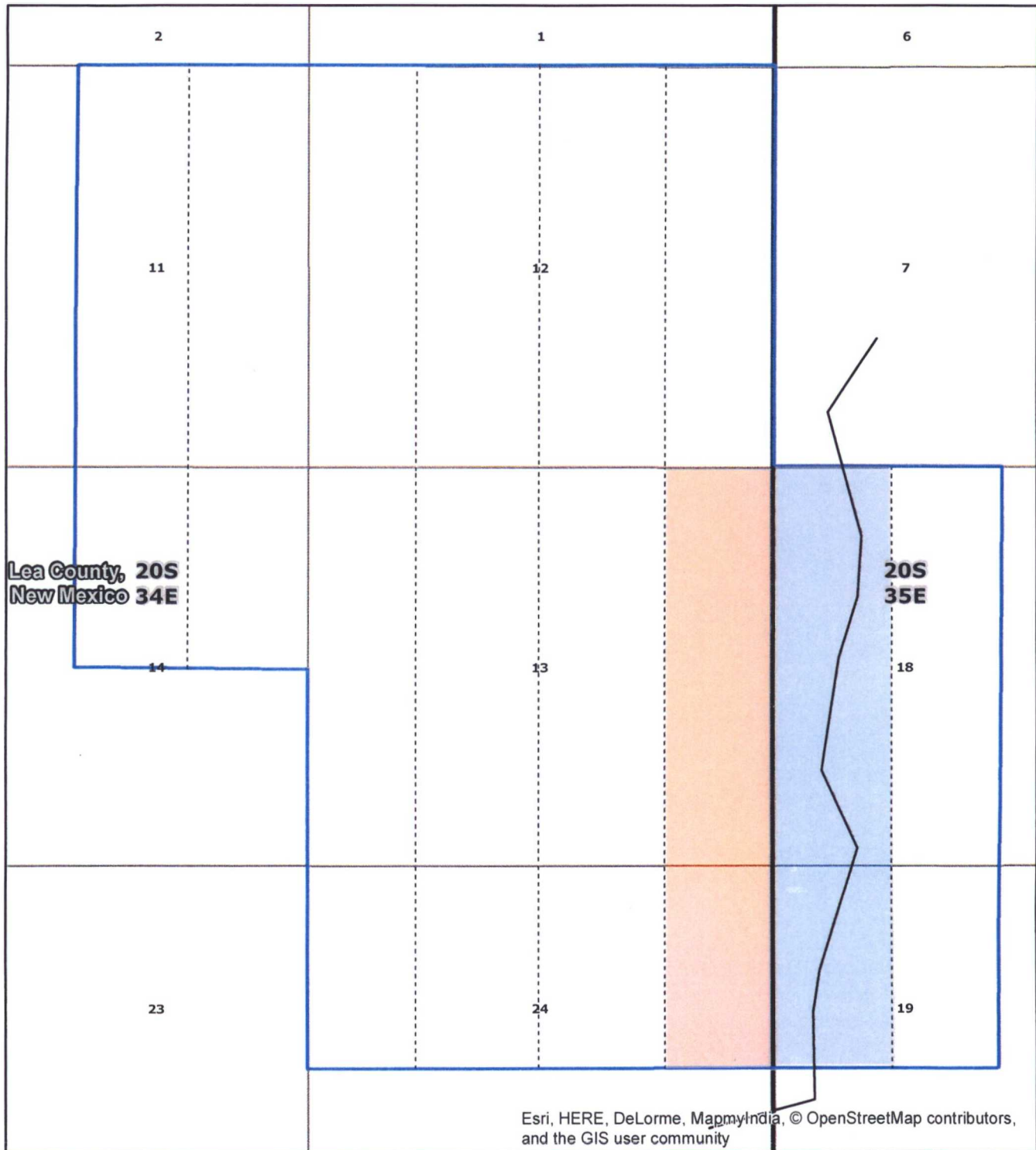
Title: \_\_\_\_\_

**Legacy Reserves**

303 West Wall, Suite 1800 • Midland, Texas 79701 • P. O. Box 10848 • Midland, Texas 79702

OFFICE 432-689-5200 • FAX 432-221-6399

# LEA UNIT 59H - NSL APPLICATION



## Legend

LEA UNIT
  59H PRORATION UNIT
  OFFSET ACREAGE
  FAULT



**November 11, 2016**

BTA Oil Producers  
ATTN: Willis Price  
104 S. Pecos St.  
Midland, TX 79701

**RE: Notification of Application for Non-Standard Location  
Lea Unit #59H, W/2 18-20S-35E & W/2NW/4 19/20S-35E, Lea County, NM**

Willis Price,

This letter is to serve notice that Legacy Reserves Operating LP ("Legacy") is filing an application for a non-standard location with the New Mexico Oil Conservation Division ("NMOCD") seeking administrative approval for Legacy to drill and complete portions of the Lea Unit #59H within 330' of the west line of Sections 18 and 19, Township 20 South, Range 35 East.

Legacy originally submitted the application September 27, 2016, but failed to meet offset notification requirements.

Any objections regarding this application should be submitted to the NMOCD Santa Fe Office within thirty days of the date of this letter.

Please contact the undersigned at 432-689-5200 should you have any questions.

Sincerely,

Clay Roberts  
Landman

**CERTIFIED MAILER: 7015-3010-0000-2971-3799**

**Legacy Reserves**

303 West Wall, Suite 1800 • Midland, Texas 79701 • P. O. Box 10848 • Midland, Texas 79702  
OFFICE 432-689-5200 • FAX 432-221-6399



**November 11, 2016**

Caza Petroleum  
ATTN: John Brown  
10077 Grogan's Mill Road, Suite 200  
The Woodlands, TX 77380

**RE: Notification of Application for Non-Standard Location  
Lea Unit #59H, W/2 18-20S-35E & W/2NW/4 19/20S-35E, Lea County, NM**

John Brown,

This letter is to serve notice that Legacy Reserves Operating LP ("Legacy") is filing an application for a non-standard location with the New Mexico Oil Conservation Division ("NMOCD") seeking administrative approval for Legacy to drill and complete portions of the Lea Unit #59H within 330' of the west line of Sections 18 and 19, Township 20 South, Range 35 East.

Legacy originally submitted the application September 27, 2016, but failed to meet offset notification requirements.

Any objections regarding this application should be submitted to the NMOCD Santa Fe Office within thirty days of the date of this letter.

Please contact the undersigned at 432-689-5200 should you have any questions.

Sincerely,

Clay Roberts  
Landman

**CERTIFIED MAILER: 7015-3010-0000-2971-3812**

**Legacy Reserves**

303 West Wall, Suite 1800 • Midland, Texas 79701 • P. O. Box 10848 • Midland, Texas 79702  
OFFICE 432-689-5200 • FAX 432-221-6399



**November 11, 2016**

Cimarex Energy Co.  
ATTN: Hayden Tresner  
600 N. Marienfeld, Suite 600  
Midland, TX 79701

**RE: Notification of Application for Non-Standard Location  
Lea Unit #59H, W/2 18-20S-35E & W/2NW/4 19/20S-35E, Lea County, NM**

Hayden Tresner,

This letter is to serve notice that Legacy Reserves Operating LP ("Legacy") is filing an application for a non-standard location with the New Mexico Oil Conservation Division ("NMOCD") seeking administrative approval for Legacy to drill and complete portions of the Lea Unit #59H within 330' of the west line of Sections 18 and 19, Township 20 South, Range 35 East.

Legacy originally submitted the application September 27, 2016, but failed to meet offset notification requirements.

Any objections regarding this application should be submitted to the NMOCD Santa Fe Office within thirty days of the date of this letter.

Please contact the undersigned at 432-689-5200 should you have any questions.

Sincerely,

Clay Roberts  
Landman

**CERTIFIED MAILER: 7015-3010-0000-2971-3829**

**Legacy Reserves**

303 West Wall, Suite 1800 • Midland, Texas 79701 • P. O. Box 10848 • Midland, Texas 79702  
OFFICE 432-689-5200 • FAX 432-221-6399



**Certified Mailing List – Lea Unit 59H NSL Application  
Notice to Offset Operator**

<b>Company</b>	<b>Address</b>	<b>Certified Mailer</b>
BTA Oil Producers	104 S. Pecos Street Midland, Texas 79701	7015-3010-0000-2971-3799
Cimarex Energy Co.	600 N. Marienfeld, Suite 600 Midland, Texas 79701	7015-3010-0000-2971-3829
Caza Petroleum	10077 Grogans Mill Road, Suite 200 The Woodlands, Texas 77380	7015-3010-0000-2971-3812

**August 22, 2016**

Mr. Leonard Lowe,  
Oil Conservation Division  
New Mexico Department of Energy, Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

**RE: Application of Legacy Reserves Operating LLC for a non-standard location, Lea County, New Mexico : Lea Unit 59H**

Mr. Lowe,

Legacy Reserves Operating LP ("Legacy") hereby submits an application to the New Mexico Oil Conservation Division ("NMOCD") for administrative approval of a non-standard location for the Lea Unit 59H (the "Well"), a mile and a half 3<sup>rd</sup> Bone Spring well to be located in the W/2W/2 Section 18-20S-35E and W/2NW/4 Section 19-20S-35E. In support of this application Legacy states as follows:

1. Legacy Reserves is the operator of the Lea Unit, an exploratory unit created in 1959 that consists of federal and state minerals. An outline of the acreage contributed to the unit is attached as Exhibit "A" to this application.
2. COG Operating LLC, Finley Resources and HOG Limited Partnership are all working interest owners within the Lea Unit.
3. Legacy has an approved APD for the Lea Unit 59H. The well will target the 3<sup>rd</sup> Bone Spring Formation.
4. Legacy seeks a non-standard location for the entire length of the lateral in the Lea Unit 59H. The request is due to a fault that Legacy discovered running near parallel to the proposed well path. Legacy would like to complete the well as near as 250' from the west line of Section 18 and 19 -20 South-35 East.
5. The acreage offsetting to the west of the Well is within the Lea Unit boundaries. The working interest owners in the Well are the same parties who own in the offsetting acreage to the west. Attached to this application as Exhibit "B" is a map indicating ownership in the acreage offsetting the Lea Unit 59H.
6. Legacy sent waivers to all working interest owners in the Lea Unit explain the facts stated herein as to the necessity of this non-standard location.
7. Approval of this non-standard location will greatly impact the success of the Well, prevent waste and protect the correlative rights of all interest owners with in the Lea Unit.

Included in this application are an updated C-102, a complete notification list, and copy of the waiver letter sent to Legacy's partners in the Lea Unit.

Sincerely,

Clay Roberts  
Landman

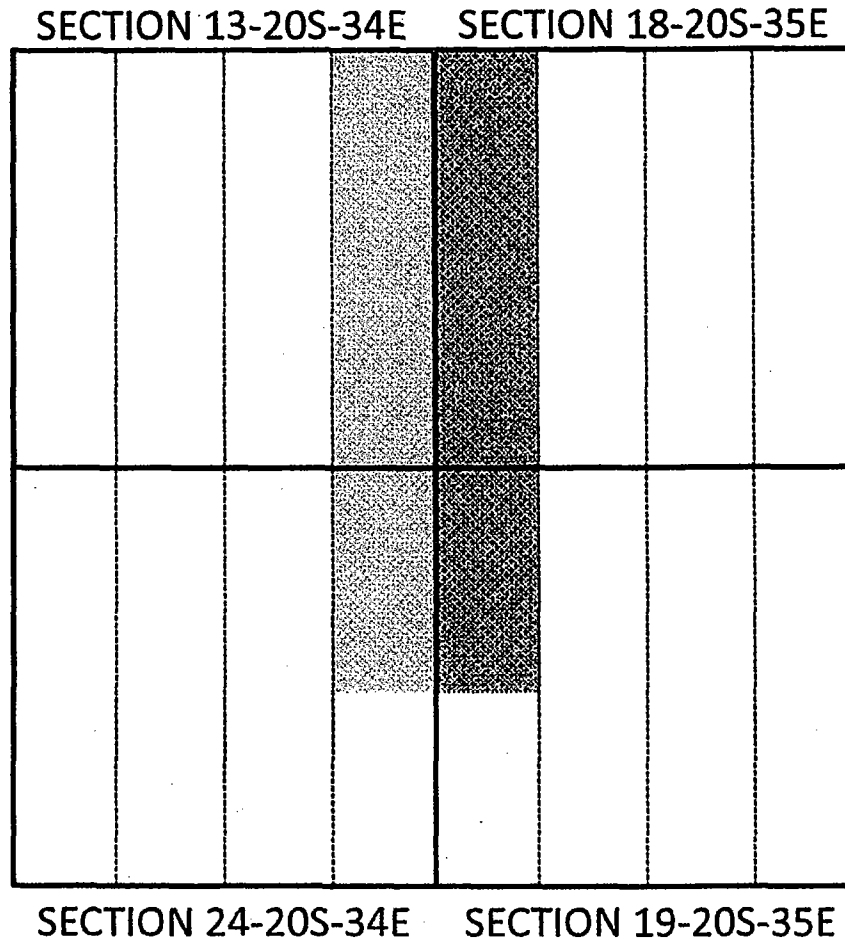
**to Legacy Reserves Operating LP's Application for Non-Standard Location dated August 16, 2016**



## STATE MINERALS

## Exhibit "B"

To Legacy Reserves Operating LP's Application for Non-Standard Location dated August 16, 2016



### LEA UNIT 59H – PROATION UNIT

#### OPERATER:

Legacy Reserves - .91310610 WI

#### NON-OP

COG - .01682580 WI

Finley - .05053440 WI

HOG - .01953370 WI

### LEA UNIT 59H – OFFSET ACREAGE

#### OPERATER:

Legacy Reserves - .7185800 WI

#### NON-OP

COG - .21135120 WI

Finley - .05053440 WI

HOG - .01953370 WI

## McMillan, Michael, EMNRD

---

**From:** Clay Roberts <croberts@legacyp.com>  
**Sent:** Monday, November 21, 2016 12:48 PM  
**To:** McMillan, Michael, EMNRD  
**Cc:** Lowe, Leonard, EMNRD; Jones, William V, EMNRD  
**Subject:** RE: Lea Unit Well No. 59H NSL suspended application  
**Attachments:** 59H NSL - NOTICE TO OFFSET OPERATORS.pdf

Mr. McMillan,

I put the notice in the mail on the afternoon of Friday November 11. Attached are the letters with certified mailer numbers. The table below shows the current status of each letter. Let me know if you need anything else.

Company	Delivered	Green Card Returned
BTA Oil Producers	Yes - 11/15/2016	Yes
Cimarex Energy	Yes - 11/15/2016	No
Caza Petroleum	No - 11/20/2016 In Transit to Destination	No

### Clay Roberts

Landman

Email: [croberts@legacyp.com](mailto:croberts@legacyp.com)

Phone: 432-689-5206



---

**From:** McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]

**Sent:** Monday, November 21, 2016 12:01 PM

**To:** Clay Roberts

**Cc:** Lowe, Leonard, EMNRD; Jones, William V, EMNRD

**Subject:** RE: Lea Unit Well No. 59H NSL suspended application

Clay:

Can you give me an update on the request for additional notification of affected parties for the Lea Unit Well No. 59H? Due to the special pool rules, Legacy was required to notify additional affected parties.

If the OCD does not receive notification of the additional parties by November 30, 2016, your application shall be cancelled.

Thank You

**MICHAEL A. MCMILLAN**

Engineering Bureau, Oil Conservation Division  
1220 south St. Francis Dr., Santa Fe NM 87505

## **McMillan, Michael, EMNRD**

---

**From:** Kautz, Paul, EMNRD  
**Sent:** Friday, December 16, 2016 1:20 PM  
**To:** McMillan, Michael, EMNRD  
**Subject:** RE: Legacy Reserves Operating LLC Lea Unit Well No. 59H API 30-025-43035

WC-025 G-08 S203506D;BONE SPRING Pool: Pool code [97983] is the correct pool

Paul Kautz  
Hobbs District Geologist  
Energy Minerals Natural Resources Dept.  
Oil Conservation Division  
1625 N. French Dr.  
Hobbs, NM 88240  
575-393-6161 ext. 104

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**From:** McMillan, Michael, EMNRD  
**Sent:** Wednesday, December 14, 2016 11:56 AM  
**To:** Kautz, Paul, EMNRD <paul.kautz@state.nm.us>  
**Cc:** Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>  
**Subject:** Legacy Reserves Operating LLC Lea Unit Well No. 59H API 30-025-43035

Paul:  
I am not sure what pool the Legacy Reserves Operating LLC Lea Unit Well No. 59H (API 30-025-43035) should be placed in.  
My application shows the Lea; Bone Spring Pool (Pool code 37570)  
The OCD permitting shows WC-025 G-08 S203506D;BONE SPRING Pool: Pool code [97983].  
The difference is that the Lea; Bone Spring Pool has special pool rules, and extended notice period

Thanks  
Mike

**MICHAEL A. MCMILLAN**  
Engineering Bureau, Oil Conservation Division  
1220 south St. Francis Dr., Santa Fe NM 87505  
O: 505.476.3448  
[Michael.McMillan@state.nm.us](mailto:Michael.McMillan@state.nm.us)



## McMillan, Michael, EMNRD

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**From:** Clay Roberts <croberts@legacylp.com>  
**Sent:** Monday, October 31, 2016 1:22 PM  
**To:** McMillan, Michael, EMNRD  
**Cc:** Lowe, Leonard, EMNRD; Jones, William V, EMNRD  
**Subject:** RE: Lea Unit Well No. 59H NSL suspended application

Perfect, I'll have them out this week.

Clay R.

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**From:** McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]  
**Sent:** Monday, October 31, 2016 2:20 PM  
**To:** Clay Roberts  
**Cc:** Lowe, Leonard, EMNRD; Jones, William V, EMNRD  
**Subject:** RE: Lea Unit Well No. 59H NSL suspended application

The 30-day clock will start once the OCD received the certified mailers to the affected parties.  
The 30-day clock is part of the special pool rules-these are the most confusing pool rules.  
Only the operator will need to be notified in the case of Caza, BTA, and Cimarex.  
Mike

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**From:** Clay Roberts [mailto:croberts@legacylp.com]  
**Sent:** Monday, October 31, 2016 1:11 PM  
**To:** McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>  
**Cc:** Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>; Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>  
**Subject:** RE: Lea Unit Well No. 59H NSL suspended application

Mr. McMillan,

Thank you for your notification. I was concerned with the notifications prior to submitting the application and had the attached email exchange with Mr. Lowe prior to submitting.

Operators of the tracts you described below are listed in the table. Please confirm that notifications only need to be sent to the operators?? One tract is inside the Lea Unit, for which all WI owners have been notified.

LEGAL	OPERATOR
N/2SW/4 & W/2SW/4 SECTION 19-20S-35E	CAZA
N/2SE/4 & E/2SE/4 SECTION 24-20S-34E	BTA
S/2W/4 & W/2SW/4 SECTION 7-20S-35E	CIMAREX
S/2SE/4 & E/2SE/4 SECTION 12-20S-34E	LEA UNIT – LEGACY (OP), COG, FINLEY AND HOG

Lastly, what triggers the 30-day notice as opposed to the regular 20-day notice?

Thanks,

**Clay Roberts**  
Landman  
Email: [croberts@legacylp.com](mailto:croberts@legacylp.com)  
Phone: 432-689-5206

**McMillan, Michael, EMNRD**

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**From:** McMillan, Michael, EMNRD  
**Sent:** Monday, November 21, 2016 11:01 AM  
**To:** 'Clay Roberts'  
**Cc:** Lowe, Leonard, EMNRD; Jones, William V, EMNRD  
**Subject:** RE: Lea Unit Well No. 59H NSL suspended application

Clay:  
Can you give me an update on the request for additional notification of affected parties for the Lea Unit Well No. 59H?  
Due to the special pool rules, Legacy was required to notify additional affected parties.

If the OCD does not receive notification of the additional parties by November 30, 2016, your application shall be cancelled.

Thank You

**MICHAEL A. MCMILLAN**  
Engineering Bureau, Oil Conservation Division  
1220 south St. Francis Dr., Santa Fe NM 87505  
O: 505.476.3448  
Michael.McMillan@state.nm.us

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**From:** Clay Roberts [mailto:croberts@legacyp.com]  
**Sent:** Monday, October 31, 2016 1:22 PM  
**To:** McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>  
**Cc:** Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us>; Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>  
**Subject:** RE: Lea Unit Well No. 59H NSL suspended application

Perfect, I'll have them out this week.

Clay R.

---

**From:** McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]  
**Sent:** Monday, October 31, 2016 2:20 PM  
**To:** Clay Roberts  
**Cc:** Lowe, Leonard, EMNRD; Jones, William V, EMNRD  
**Subject:** RE: Lea Unit Well No. 59H NSL suspended application

The 30-day clock will start once the OCD received the certified mailers to the affected parties.  
The 30-day clock is part of the special pool rules-these are the most confusing pool rules.  
Only the operator will need to be notified in the case of Caza, BTA, and Cimarex.  
Mike

**McMillan, Michael, EMNRD**

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**From:** McMillan, Michael, EMNRD  
**Sent:** Monday, October 31, 2016 12:41 PM  
**To:** 'croberts@legacylp.com'  
**Cc:** Lowe, Leonard, EMNRD; Jones, William V, EMNRD  
**Subject:** Lea Unit Well No. 59H NSL suspended application

Clay:

I am reviewing your administrative NSL application for the Lea Unit Well No. 59H.

Based on the special pool rules for the Lea: Bone Spring Pool, Legacy will be required to notify the affected parties in the N/2 SW/4 and W/2 SW/4 of Section 19, Township 20 South Range 35 East.

Next, the N/2 SE/4 and the E/2 SE/4 of section 24 Township 20 South Range 34 East will need to be notified.

Further, the S/2 SW/4 and the W/2 SW/4 of Section 7 Township 24 South, Range 35 East will need to be notified.

Lastly, the S/2 SE/4 and E/2 SE/4 of Section 12 will need to be notified.

Finally the affected parties will have 30-days notice; instead of the regular 20-day notice.

The special pool rules for the Lea; Bone Spring was created by Division Order R-1827 and Division Order R-1827-A

As a result your application will be suspended, until the OCD receives all of the certified mailers to the affected parties. At that point, the 30-day clock will begin.

Thank you

**MICHAEL A. MCMILLAN**

Engineering Bureau, Oil Conservation Division

1220 south St. Francis Dr., Santa Fe NM 87505

O: 505.476.3448

Michael.McMillan@state.nm.us